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De Klerk and Mandela Given Nobel Peace Prize

By Paul Taylor... JOHANNESBURG — Nelson Mandela, president of the African National Congress, and President Frederik W. de Klerk of South Africa were jointly awarded the 1993 Nobel Peace Prize on Friday for their efforts to dismantle apartheid.

Mr. Mandela, 75, called the honor a "deeply humbling experience." Mr. de Klerk, 57, said he was "basically a modest man" and "was embarrassed in a certain sense of the word."

Both men said they accepted the prize as an encouragement from the world community to complete the task of building a nonracial South Africa.

Death Sentence For Killers of South African

JOHANNESBURG — Two white extremists convicted of assassinating Chris Hani, the leader of the South African Communist Party, received the death sentence Friday, sparking jubilation among blacks outside the courtroom.



ANC supporters celebrating the death sentence passed Friday on the killers of Chris Hani, the Communist Party chief.

U.S. Sends Warships To Blockade Haiti But Military Rulers Show No Sign Of Caving In to Clinton's Pressure

PORT-AU-PRINCE, Haiti — President Bill Clinton ordered United States naval ships to enforce an international embargo against Haiti on Friday, but the island's military rulers showed no signs of bowing to pressure or restoring democracy.

Mr. Clinton said there were "important American interests at stake in Haiti," in particular protecting the safety of Americans, promoting democracy and trying to avoid any resumed tide of Haitian refugees to the United States.

Model Palestinian Political System: None of the Above

By David Hoffman... JERUSALEM — The day after signing the peace accord with Israel, Yasser Arafat, the Palestine Liberation Organization chairman, vowed that the new Palestinian authority in the West Bank and Gaza Strip would be based on "democracy and more democracy and more democracy."

Mr. Arafat's pledge and Mr. Abu Shaaban's sly capture the dream and the nightmare of Palestinian self-government as the day approaches when nearly 2 million Palestinians in the West Bank and Gaza gain control over their own affairs for the first time in decades.

"I think they would like to, but I am not sure they can," Mr. Khateeb said. "The Palestinians have not yet experienced democratic life. There is a difference between the emotional desire and being able to practice it. You cannot just decide to practice democracy; it is something

Politics Offside in Soccer Qatar Organizers Hope to Maintain Peace as Foes Battle for '94 Cup Bids

By Christopher Clarey... DOHA, Qatar — It was lunchtime at the Gulf Sheraton Hotel. Up on the seventh floor, the Japanese and South Korean soccer teams were eating in different rooms, enjoying the familiar tastes of food prepared by their own chefs.

North Korea staged a 3-2 comeback victory over Iraq, which was making its first appearance in a major international competition since 1989.

Kiosk section containing market data for Dow Jones (Up 8.10), Trib Index (Up 1.07%), and various currency exchange rates (Dollar, Pound, Yen).



Kim Gyeong Il of North Korea, left, and Saad Numan of Iraq battling for the ball Friday.

Qatar, a small desert nation of 10,000 people that shares a southwestern border with Saudi Arabia and southern boundary with the United Arab Emirates, opened to tourism only in 1989.

An 'All-American' California Town Goes All Out to Find a Kidnapped Girl

By Christine Spolar... PETALUMA, California — No one can pass through this small town in the dust-brown hills of Sonoma Valley and not know that something terrible has happened to 12-year-old Polly Klaas.

volunteers scurried through cold rain to post new, lifelike sketches of a man who allegedly took the child at knife-point.

later, by one of the girls, standing wide-eyed at the edge of her bed. A man with a big knife had come into the house, tied them up and taken Polly, the girl said.

several years to Allan Nichol, but the couple, who also have a daughter, 6, separated a year ago.

STATESIDE / NEW HEALTH NUMBERS



THE NEW AIR FORCE BOSS — The secretary of the air force, Sheila E. Widnall, 54, the first woman to serve as secretary of an American armed service, reviewing troops in dress gear in Washington. Deputy Defense Secretary William J. Perry is at the left.

POLITICAL NOTES

House Rebuffs Leadership on Aid for Jobless

WASHINGTON — In an embarrassing defeat for the Democratic leadership, the House of Representatives has rejected a plan to extend emergency benefits for workers who had been unemployed more than six months and had exhausted their state benefits.

Congressional budget rules require that the \$1 billion cost of extending the benefits be offset by spending cuts or tax increases, but Democrats were deeply divided over where to come up with the money.

Representative Dan Rostenkowski, Democrat of Illinois, who heads the Ways and Means Committee, had wanted to save \$331 million to help pay for the extension by requiring immigrants to wait five years after their arrival, instead of three, to become eligible for Supplemental Security Income, a program for the disabled, elderly, and blind.

But after strong opposition from the 15-member Hispanic caucus, the leadership instead proposed to save the same amount of money by reducing the extended benefits from four months to three, a strategy that splintered the party's rank-and-file. The leadership plan was defeated on Thursday by a procedural vote of 274 to 149.

Senate Republicans to Grill Potential Judges

WASHINGTON — Senate Republicans have given notice they will challenge any of President Bill Clinton's judicial nominees they consider insufficiently committed to the death penalty.

The effort to impose a new kind of litmus test comes as the White House is preparing to fill dozens of vacancies in the federal courts, hoping to counter 12 years of Republican rule in which hundreds of conservative lawyers were appointed to the bench.

Senator Orrin G. Hatch of Utah, the ranking Republican on the Judiciary Committee, said that although he did not consider the death penalty a litmus test issue, he would carefully scrutinize any judicial nominees to ensure that they "are not starry-eyed about it."

"Where the death penalty is warranted, we don't need judges who look for excuses not to carry it out," he added.

The Republicans are in the minority in the Senate and could not defeat any nominee without some Democratic support. Nonetheless, senior Republican staff members said the death penalty was a politically potent issue and worth raising, even if they have limited success in opposing judicial nominees.

It was not clear how many other Republicans in the Senate would join in the effort to emphasize the death penalty issue in judicial confirmations, but the staff members said it was expected that many would do so. (NYT)

Quota / Unquota

Senator Bob Kerrey, Democrat of Nebraska, faulting Clinton administration plans for \$12 billion to \$15 billion in budget savings over the next five years under which some money would be used to pay for programs that Mr. Clinton favors: "I think it's a mistake to go in the American people and say, 'I want to spend less money, but oh, by the way, I also want to spend more.'" (NYT)

Deficit Won't Fall by as Much as Planned

By Steven Greenhouse

WASHINGTON — Acknowledging that its plan to overhaul the health-care system will be more expensive than expected, the Clinton administration has lowered its estimate of how much the plan would cut the budget deficit.

At a time of intense political jockeying, when the administration is under pressure to demonstrate that its plan is credible, several officials said Thursday that the plan would reduce the deficit by \$70 billion to \$80 billion between 1994 and 2000, down from the original estimate of \$91 billion.

One reason for the lower estimate is that the administration, recognizing that full savings would not occur until every state takes part, has concluded that some states will not be ready to join the program by Jan. 1, 1997, as it had first expected.

These details emerged as the administration rushed to put the finishing touches on the plan in the hope of giving Congress a formal legislative proposal late next week.

The new estimates come after an intense round of number crunching, which officials asserted used conservative projections to counter charges by members of Congress and outside health-care experts that the administration's financial estimates are too optimistic.

Administration officials said it was hard to predict exactly how much money will be saved or spent in an overhaul of something as large as the health sector, which represents one-seventh of the economy.

Leon E. Panetta, the White House budget director, said the health plan would pare the deficit by \$10 billion to \$20 billion less than the \$91 billion estimate. Another official said the reduction would be "around \$70 billion."

Under the revised plan, the administration has decided to take back some of the gains that companies would realize from the proposal to have the federal government pay most health costs for early retirees. For the first three years, companies would have to repay to the government half the money they save when the government takes over most of their insurance costs for early retirees. From the fourth year on, companies would keep the full benefits.

"This is not a change in policy," said Christine Heenan, an administration health-policy adviser. "These companies are experiencing a windfall, and we have always said there would be an assessment."

Officials have usually talked about a one-time assessment, not a three-year assessment. This new assessment was reported Thursday in The Wall Street Journal.

"We're looking at how best to put it into operation," said Judith Feder, deputy assistant secretary of health and human services, who testified on Thursday before the House Ways and Means subcommittee on health.

Officials said the money would be used to offset losses in the trust funds for Medicare health insurance for the elderly and the disabled and for Social Security retirement benefits that are expected to result when the plan causes an increase in the number of early retirees.

The president proposed to lighten the corporate burden of paying for health insurance for retired people under 65 because he was concerned that this burden was hurting the competitiveness of large manufacturers. At present, many pay the full cost of health insurance for early retirees, but the president has proposed that the companies pay 30 percent and the federal government pay 70 percent. This provision will cost \$4.5 billion to \$6 billion a year, officials said.

In preparing its estimates, the government relied on its own forecast that inflation would be 3.5 percent a year through the year 2000. That is significantly higher than the Congressional Budget Office's 2.7 percent-a-year forecast.

Reality Time in Ailing Atlanta

Olympics or Not, Mayoral Aspirants Focus on Urban Ills

By Peter Applebome

ATLANTA — With its boomtown image, long history of powerhouse mayors and giddy anticipation of hosting the 1996 Olympics, Atlanta should be one place where urban politics has the potential to rise above the nation's urban ills.

But instead of grand visions of renewal, three politicians are waging a campaign centered on issues of crime, corruption and government efficiency. The race underscores the pervasiveness of the nation's urban ills and the gap between real-world Atlanta and the glittering international pageant it will put on in 1996.

The race also marks a transition from leadership that rose to prominence in the civil rights era to a new generation in a city often associated with black political power. For the first time in 20 years there will be a mayor other than Maynard Jackson or Andrew Young.

The three major candidates are Bill Campbell and Myrtle Davis, City Council members, and Michael Lomax, a former Fulton County Commission chairman.

The three have mounted a civilized, relatively low-key race in which polls show Mr. Campbell with a healthy lead. The winner of the Nov. 2 election will seek to lead a city whose problems have more in common with other large cities than with the rest of its largely prosperous metropolitan area.

"The state of affairs they are confronting is a tremendously defective infrastructure, the awesome task of hosting the Olympics, an impossible nightmare of drug-related crime," said Sam Massell, Atlanta's mayor from 1969 to 1973, who now heads the Buckhead Coalition, a business organization in the city's affluent white-dominated northern tier.

The race was not supposed to have turned out this way.

Mr. Jackson, who became Atlanta's first black mayor in 1973, had been considered a shoo-in for reelection. That would have continued Atlanta's remarkable two-man mayoral rotation, which saw Mr. Jackson elected in 1973 and 1977, Mr. Young in 1981 and 1985, and Mr. Jackson in 1989.

But Mr. Jackson, citing the effects of a heart-bypass operation this year and the financial sacrifice of being mayor, shocked supporters in June by saying he would not run again.

Business leaders begged Mr. Young, now a highly paid executive with an engineering firm, to run again, but he, too, said no.

These decisions have brought along a generational change in Atlanta politics and its black community four years sooner than anyone had anticipated.

Still, the candidates and the issue-oriented race they have waged have generally drawn favorable notices from the local press. The early leader is Mr. Campbell, a 40-year-old council veteran with degrees from Vanderbilt University and Duke Law School.

He has skillfully appealed both to poor blacks and affluent whites and has the endorsement of Mr. Jackson. His main opposition figures to be Mr. Lomax, 46, a brainy but chilly English professor turned politician who ran unsuccessfully against Mr. Jackson four years ago.

Lagging behind has been Mrs. Davis, 62, a council veteran who is widely admired by political insiders but has failed to create much excitement.

A poll of 638 likely voters conducted Sept. 25 to 27 by The Atlanta Journal-Constitution and WSB-TV showed Mr. Campbell with 35 percent of the vote, Mr. Lomax with 20 percent and Mrs. Davis with 17 percent.

France Will Send Suspect to Texas

The Associated Press

PARIS — Ending a legal wrangle that strained French-U.S. relations, the Council of State on Friday approved the extradition of a Texas woman charged with hiring a man to kill her husband's girlfriend in 1983.

The council determined that U.S. and Texas authorities had given adequate assurances that Joy Davis Aylor, 44, would not be executed.

Mrs. Aylor skipped bail in 1985, fled to the French Riviera and was arrested there in 1991 after a traffic accident. France outlawed the death penalty in 1981, and refuses to extradite suspects who face possible execution.

Advertisement for Ambassador Lapel Flags, Great World Cities Collection, featuring flags from various countries and a contact number.

Advertisement for the International Herald Tribune featuring the headline 'EC - US GATT confrontation' and a subscription offer of 44% off the cover price.

Large advertisement for Sprint telephony services, titled 'TO CALL ONE FOREIGN COUNTRY FROM ANOTHER. SPRINT GIVES YOU A HANDFUL OF OPTIONS.' It includes a list of international numbers and a coupon form.

AMERICAN TOPICS

Assaying the Arts: Jobs and Salaries

In 1992 the arts and other cultural activities in the New York metropolitan region generated almost \$3.5 billion in wages, salaries and royalties, a 10 percent increase over the last decade...

Short Takes

About two-thirds of major American companies now have some kind of diversity training program to encourage tolerance. Results are mixed.

Away From Politics

A federal court has stopped the Agriculture Department from requiring safe-handling instructions on raw meat and poultry products.

the city of Portland, Oregon. "I'm a middle-aged guy and my mind is made up. Sitting in a classroom all day isn't going to change me one bit."

The U.S. Census Bureau has stopped making a separate count of farm residents, reflecting the diminished role of the family farm.

Bert Lance lasted nine months as President Jimmy Carter's budget director before being accused of fraud and other improprieties.

Arthur Higbee

Haitian Elite Gets Cold Feet: Did It Back Wrong Coup?

By Douglas Farah

Washington Post Service PORT-AU-PRINCE, Haiti — The Haitian military, on a collision course with the international community...

Business officials, analysts and diplomats said the economic embargo imposed by the United Nations in June so battered the economy...

He added that he had at first feared the arrival of forces commander, Lieutenant General Raoul Cédras...

He is a failure, and now we have to accept the fact Aristide is president. All we can do is hope the international community keeps him from his own worst instincts.

As the crisis has deepened, businessmen have grown apprehensive about the influence of Port-au-Prince's police commander...



General Raoul Cédras, meeting the press, did not say whether he would be stepping down Friday.

PLO: Just What Form Should Self-Rule Really Take?

Continued from Page 1

people have to be growing with for decades. At the popular level, Palestinians to the West Bank and Gaza are fiercely anti-authoritarian...

One of the major advantages for Palestinians — perhaps the core of their future politics — is a thriving pluralism and a strong middle class of well-educated professionals...

George Giacaman, dean of the faculty of arts at Bir Zeit University and director of the Palestinian Institute for the Study of Democracy...

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U.S. Acts To Aid Ukraine

Teams to Study Economy, Arms

By Thomas W. Lippman

WASHINGTON — Alarmed by Ukraine's economic free fall and frustrated by repeated failures to reach agreement on the fate of Ukraine's nuclear weapons...

They will try to break a potentially dangerous impasse in which the economic crisis has weakened the government of President Leonid M. Kravchuk...

"Ukraine is a major problem area," Gloria Duffy, deputy assistant secretary of defense, said at a meeting with reporters Thursday.

Ukraine, a nation of 52 million people between Russia and Poland, was the second most populous republic of the former Soviet Union.

Ms. Duffy said Washington and Kiev had been "very close to signing an umbrella agreement" covering the use of the U.S. aid in early September.

The Clinton administration agreed in July to release \$175 million in disarmament aid when Ukraine announced that it had begun dismantling 10 of its SS-19 nuclear tipped missiles...

But the aid was never released, she said Thursday, because the U.S. law requires a signed agreement specifying what it is to be used for.

44 Jailed in Logging Protest

VICTORIA, British Columbia — A judge has sentenced 44 environmentalists to jail for blocking logging roads this summer in Clayoquot Sound...



Police in Moscow checking the papers of two men from the Caucasus as part of a roundup and expulsion of many non-Russians.

Yeltsin Orders Vote on New Constitution

By Craig R. Whitney

MOSCOW — President Boris N. Yeltsin, continuing to change the Russian political system by fiat, on Friday ordered a referendum Dec. 12 on whether to accept a constitution that is not yet completed and that voters have not seen.

He decreed that when Russians throughout the vast country vote for a new, two-chamber legislature that day, they would also find a single referendum question on the ballot: "Do you agree to the constitution of the Russian Federation? Yes or No."

This would presumably be the new constitution discussed by an assembly the president summoned last June to replace a much-amended 1977 charter.

without debate or approval by the parliament that is to be elected the same day. Besides decreasing an end to the Soviet-era parliament that was the stronghold of his opposition, Mr. Yeltsin has also banned 15 opposition newspapers...

At a press conference held under the auspices of the nongovernmental Russian-American Press and Information Center here, Gennadi N. Solzenzev, the Pravda editor, and his colleagues sounded much like the anti-Communist dissidents...

Reaction from newspapers unaffected by the ban has been timid. Martial law is expected to be lifted next Monday, but according to Yuri Luzhkov, the mayor of Moscow...

Meeting Is a Failure

South and North Korea met at their border for the second time in 10 days on Friday but failed to settle the dispute over inspection of nuclear arms plants in the North.

The two sides only agreed to meet again on Oct. 25, the spokesman said. "There is no sign of the exchange visit of special envoys will take place in the near future."

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U.S. and Nuclear Agency Raise Ante With North Korea on Inspections

By David E. Sanger

TOKYO — The United States and the International Atomic Energy Agency have warned North Korea that they will seek action by the United Nations Security Council unless Pyongyang admits inspectors to its nuclear sites within two weeks...

For months the Clinton administration has been trying to keep the issue of North Korea's suspected nuclear weapons out of the Security Council, in hopes that its direct talks with Pyongyang — the first since the Korean War — would derail its effort to build a nuclear bomb.

But officials from South Korea and Japan, who have also been involved, now characterize the talks as an empty exercise that has allowed North Korea to buy time.

prevented inspectors from servicing equipment monitoring nuclear sites. The equipment is expected to run out of film and batteries next month.

"We are coming up on something of a technical deadline, and North Korea has not been responsive at all," said David Kyd, the agency's spokesman.

South Korean and Japanese officials said, however, they did not know if the Clinton administration was ready to confront North Korea over its months of foot-dragging, especially at a time when Washington's attentions are preoccupied by Somalia, Bosnia and Haiti.

"Economic sanctions are the last card, and no one wants to use it too early," said a senior Japanese official who has been involved in the effort to persuade Pyongyang to end its project.

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Tajikistan's Regime of Fear Independence Fails to End Rights Abuses

By Raymond Bonner

DUSHANBE, Tajikistan — When the Soviet Union was disintegrating, one of the first statues of Lenin in Central Asia to be pulled down was in this sleepy capital. It was replaced by a statue of Firdausi, a 10th-century poet.

Yet today, poets and writers are in jail or in exile, and on tree-lined boulevards, neon hammer-and-sickle emblems hang from the lampposts.

Two years after Tajikistan declared its independence, there is still no private ownership of land, and the collective and state farms in the south, where cotton is king, still bear names like Lenin, Communism, and Fifty Years of the Soviet Union.

At the University of Dushanbe, Communist challenge democratically minded professors. The hallway in a rural primary school is lined with photographs of Tajik heroes of the Bolshevik Revolution.

"We are still a Communist country," said Safarali Boyzardorov, the school's principal. In spite of all this, Tajik and foreign observers insist, the government is not really Communist.

The Tajik leaders, these observers say, have no deep ideological commitment but are devoted primarily to staying in power. A local university professor said it would be more accurate to describe the government as totalitarian.

Whatever the labels, government officials are not talking. Repeated requests for interviews drew no response.

Whatever the government's shortcomings, it has the backing of Moscow and Washington because the alternative, as they see it, is a government under the influence of radical Islamic elements from abroad.

The main backer is Russia, which has more than 20,000 troops in Tajikistan whose primary mission is to keep fighters, weapons and drugs from entering from Afghanistan.

The fighting is an outgrowth of violence last year that convulsed Tajikistan, a backward nation of about 5.6 million people. Though no one knows for sure, it has been generally reported that at least 20,000 were killed and that more than half a million were forced to flee their homes.

But the struggle is not a battle between communism and Islamic fundamentalism. Though the Islamic Renaissance Party, which is supported by Iran, was a faction in the opposition, it did not call for an Islamic state, and even Iran's influence has faded.

Nor is the fighting an ethnic conflict, as it is in Georgia and Azerbaijan. There are ethnic divisions here; Uzbeks make up 23 percent of the population. But the political strife arises mainly from clan and regional loyalties.

For a while, Moscow remained neutral. But, worried about the increasing influence of the Muslims to the opposition, Russia sent as many as 20,000 troops to support a government headed by a hard-line Communist, Imrol Rakhmonov.

Russia is now providing Tajikistan with at least half its budget, as well as key military units. But the Tajik leaders cannot seem to decide whether they want communism or capitalism, democracy or one-party rule.

Some confusion stems from corruption, which, according to several diplomats and United Nations officials, reaches into the highest levels. For example, the government is reluctant to break up the state farms because they provide jobs for people willing to pay bribes.

Former Communist countries in Eastern Europe have discovered that the place to begin privatization is in the service sector — hairdressers, laundries, television repair shops. But even that has not happened here, because the head of the government agency that oversees this sector does not want to lose his lucrative fief.

What Tajikistan needs, several diplomats suggested, is international organizations to engage in small-scale development. But the country is not likely to get much help because of the human rights situation.

Last winter, after gaining control of Dushanbe, the government and the forces that backed it went about eliminating the opposition. "It was a real bloodbath," a Western diplomat said.

People were stopped on the street or pulled out of bread lines and required to show their identification papers. If they were Garmis or Pamiris, residents of the poor eastern regions who have been demanding a larger share of government resources, they were taken away. Many were shot.

The abuses persist. "People continue to disappear," said Russia's deputy foreign minister for Central Asia, Georgi Kuznetsov.

Fear is pervasive. Almost no one will criticize the government, and those who do insist on anonymity. The newspapers that flourished immediately after independence have been closed, their editors and reporters now dead, jailed or exiled.

Neo-Nazis Acquitted of Desecration

POTSDAM, Germany — Two German neo-Nazis were acquitted Friday of desecrating a Holocaust memorial at a World War II concentration camp.

After a three-month trial, a court in the eastern town of Potsdam ruled that the two defendants, who had admitted to the crime before retracting their confessions, were not guilty of arson and violating arms laws.

Ingo Kehn, 20, and Thomas Heberland, 22, were accused of starting a fire in September that gutted a former barracks for Jewish prisoners at the Sachsenhausen camp.

Judge Klaus Przybilla said the prosecution failed to prove that the men took part in the attack at the camp in Oranienburg, just north of Berlin.

"The possibility that the two did take part in the act, however, cannot be excluded," he said. "The evidence showed that they are right-wing extremists."

Mr. Kehn and Mr. Heberland, who had spent several months in custody, were released. They had earlier retracted confessions, saying they were "tricked" by the police into giving false statements.

The state prosecutor, Uwe Picard, declined to comment. Prosecutors said the defendants threw a gasoline bomb on the roof and started a fire inside the wooden barracks, which housed about 6 million European Jews.

The widely publicized arson attack gave rise to renewed criticism that Chancellor Helmut Kohl's government was not doing enough to combat attacks on foreigners and on Jewish memorials.

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B MAJORS By Jeanette K. Brill

Word search puzzle grid with 15x15 letters and various clues for words and phrases.

Solution to the word search puzzle, showing the words found in the grid.

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INTERNATIONAL Herald Tribune

The Right Direction?

The release of a captured helicopter pilot in Mogadishu leaves no Americans known to be in Somali hands. The pilot had been well taken care of, said an American doctor. This welcome development satisfies what had been some American priority — retrieval of prisoner-hostages — in the light of casualties that had prompted instant popular and congressional demands to get out of Somalia fast.

An Israel-China Puzzle

Israel is expanding its cooperation with China on military technology, according to the CIA. That is the latest sign of Israel's willingness to engage in dubious arms deals. In this case, Israel is supplying China with advanced technology that the United States and other Western powers will not supply.

Wired for Everything

In a dramatic surge of mergers, a new telecommunications industry is rapidly arising. It is a hybrid of three kinds of business that until recently seemed quite separate — telephones, cable television and entertainment.

Other Comment

More Than Tennis Is at Stake: The suspended two-year sentence Günter Parche received from a Hamburg judge for stabbing the tennis star Monica Seles amounted to five and a half months spent in jail awaiting trial. No wonder the tennis world is shocked. How right for prosecutors to appeal the fluffy-light sentence.

The Disengagement of an Unwilling Power

By Stephen S. Rosenfeld

WASHINGTON — It is a shock to recall that Richard Nixon was re-elected president even though 20,000 Americans had died in Vietnam during his first term. For it took only 15 American dead to convince President Bill Clinton that he had to beat it out the door in Somalia.

A 'Smoking Gun' in Hungary Points to Alger Hiss

By Sam Tanenhaus

TARRYTOWN, N.Y. — The Alger Hiss case, born in the first years of the Cold War, has outlived where history occupies its myth. Just last year a Russian general, Dmitri Volkogonov, said he had examined a mountain of KGB files and declared Hiss innocent of spying charges first raised by his accuser, Whitaker Chambers, in 1948.

Trade: The Villains Are All Around

By Roy Denman

BRUSSELS — The Uruguay Round of world trade negotiations is now the Last Chance Saloon. It is Dec. 15 or bust. The Anglo-Saxon press casts France as the villain of the piece. Anglo-Saxons like doing this, just as the French like to matter about Anglo-Saxon peckish.

Asians Should Twist Europe's Arm

By Philip Bowring

HONG KONG — Next month's informal summit meeting in Seattle of leaders of the Asia Pacific Economic Cooperation group threatens to be mainly a plea to opportunity interspersed with fence-mending between the United States and some Asian countries, notably China. This would be a waste. APEC has a rare opportunity to avoid politics and do what it was designed for: stand up for freer trade against the Fortress Europe attitudes that are blocking a Uruguay Round accord.

Yet Again, Arms for Despots

By A. M. Rosenthal

NEW YORK — Israel sells weapons and the technology of warfare to China. The United States prepares the way for the Chinese military to get the American supercomputers for which it has lusted so long. So, fellow suckers, citizens of the free world, here we go again. Democratic governments are helping increase the military power of despots.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Power of the Pen BRUSSELS — M. Camille Lemonnier, the well-known novelist, appeared to-day [Oct. 16] before the Assize Court on a charge of outraging public decency by the publication, on Tue les Femmes, "which was inspired by the exploits of 'Jack the Ripper'." The presiding judge decided, at the outset of the trial, that the hearing should take place within closed doors, and the court was accordingly cleared of all but the principal witnesses and barristers.

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Appear in Appoin... Breaks... TUGARAJ

سكرا من الامم

Uproar in Athens On Appointments

ATHENS—Prime Minister Andreas Papandreou has provoked a new political controversy and criticism from his own supporters by granting his wife and other family members top political posts in his administration.

Mr. Papandreou, who wooed back the job as prime minister in the Socialist election victory last Sunday, has further fueled the dispute by announcing he planned to stop major privatizations, rationalize the public transportation system, and overturn a property settlement that had been reached between the previous government and Constantine, the deposed Greek monarch.

But the biggest outcry, from pro-Socialist newspapers as well as the opposition, was over a list of appointments in which Dimitra Liani-Papandreou, the prime minister's 37-year-old wife, was named as director of his private political office.

The press described the post as equivalent to that of the prime minister's top political adviser. In addition, Mr. Papandreou appointed his son George as deputy minister of foreign affairs and his wife's cousin, George Lianis, as deputy minister of culture. His personal doctor, Dimitris Kremastinos, was appointed minister of health.

In the election campaign that returned Mr. Papandreou to office, the Socialists had criticized Constantine Mitsotakis, then prime minister, for reportedly wielding influence through his wife and daughter. Mr. Mitsotakis' daughter Dora was an elected member of Parliament who became minister of culture, but his wife had no political post or state salary.

In his first victory statement on nationwide television, the 74-year-old prime minister thanked his wife, stating that her contribution to his "personal life and political struggle was priceless."

Mrs. Liani-Papandreou also stated that the election victory meant "the end of a long and difficult struggle" for the couple. A scandal over the couple's extramarital affair at the time was one of the contributing factors to Mr. Papandreou's downfall as prime minister in the late 1980s.

Mr. Papandreou has announced the abolition of an agreement whereby Constantine retained some property in return for the payment of taxes. He has stated that the former king, deposed in a 1974 referendum, should also be deprived of Greek nationality.

**Greece Breaks Off Talks
On Macedonia Question**

ATHENS—Prime Minister Andreas Papandreou announced Friday that Greece would pull out of UN-brokered negotiations with the former Yugoslav republic of Macedonia on the ethnically explosive issue of its name, the same as that of the neighboring northern Greek province.

But Theodoros Pangalos, deputy foreign minister, said that the issue, which has caused friction between Greece and its partners in the 12-nation European Community, was unlikely to "become a major problem" within the EC. Greece is due to take over the rotating EC presidency on Jan. 1.

"Greece will undertake no discussion on the name, this issue is finished," Mr. Papandreou said after a meeting with the U.S. chargé d'affaires in Greece, James Williams, and before going into a meeting with ambassadors from the other EC countries.

He said he had the impression that the United States, for the moment, would not recognize Macedonia under that name, and he deplored that China had done so on Tuesday.

The quarrel between Greece and the EC over Macedonia erupted in September 1991, when Macedonia, the poorest of former Yugoslavia's six republics and with an ethnically mixed population of 2.3 million, proclaimed its independence under the name it had used for the previous half-century.

Greece immediately protested and accused it of having expansionist aims.

Greece Breaks Off Talks On Macedonia Question

KIDNAPPED: Petaluma Shock

Continued from Page 1

who she walked into the hallway, how he forced them to lie down and covered their heads with pillowcases and how he tied their wrists behind their backs. From their accounts, the police said, it appears that the man entered the neat wooden frame home through an unlocked window or door.

The girls told the police that they did not believe that the man was serious at first because he was out particularly threatening and spoke in a low voice. Then he threatened to slit their throats if they made a sound.

He asked which girl lived there. When Polly identified herself, he asked where money and jewelry were. She pointed it out, the girls said, but instead of taking the valuables, he took Polly.

One of the last sounds they heard, they told the police, was Polly whimpering and sobbing.

"We're confident this is a stranger abduction," an FBI spokesman, Rick Smith, said. "It's unusual. We've seen abduction before, but there's not too many where somebody just walks into the home and takes somebody."

The crime has captivated ows broadcasts up and down the coast

and across the country. The television show "America's Most Wanted" came to Petaluma, a town of 46,000 perhaps best known as the cinema backdrop for the nostalgic trip of "American Graffiti" and a place that President Ronald Reagan once cathused was an "all-American city."

The film star Winona Ryder, a Petaluma girl, has offered \$200,000 for Polly's safe return.

More than 800 people from Sonoma County and beyond have been working daily to push the search farther. Bill Rhodes, a local printer, heard the story on a radio program the day after Polly was taken. He put down his morning coffee and drove into the office. Using police information, he started printing as many posters as his high-speed printers could churn out.

Each day, to keep the seemingly tireless corps of helpers at their phones or computers, people have brought what they can to the Polly Search Center in the Rhodes print shop — casseroles, pizzas, jelly beans and vats of hot coffee. People are frenzied, working hard to ward off fear.

What happened to Polly Klaus, they say, could have happened to anyone else here.

KIDNAPPED: Petaluma Shock

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Frustrated on Bosnia Accord, Mediators Widen Their Focus

By Roger Cohen
New York Times Service

PARIS—In recent letters to Western governments including France, the international peace mediators in the former Yugoslavia have outlined a new approach, setting aside the quest for peace in Bosnia-Herzegovina alone to pursue the search for an accord tackling all conflicts in the region.

A French Foreign Ministry official said Friday that the mediators, Lord Owen of Britain and Thorvald Stoltenberg of Norway, had opted for the new approach because it had become clear that "the quest for a peace in Bosnia has failed."

Diplomats in Belgrade and Paris said that the Serbian leader, Slobodan Milosevic, and the Croatian president, Franjo Tudjman, had also received copies of the letter, whose proposals are sketchy but whose essence is that only a global settlement in the Balkans will make peace stick.

Mr. Tudjman rejected the idea Friday. Agency France-Press reported from Zagreb. Speaking at the opening of a congress of his governing Croatian Democratic Union, he said that a meeting to negotiate all outstanding issues to the former Yugoslavia would constitute a "trap" that Croatia "must not fall into."

A Western diplomat in Belgrade said: "Globalization is the new buzzword, because it seems clear that peace efforts in Bosnia are at a dead end. And there are some signs that this approach may be more attractive to Mr. Milosevic."

Although the sources said Lord Owen and Mr. Stoltenberg had not drafted a specific plan, the thrust of the new approach is to put all outstanding issues on the table and see if trade-offs can be found that produce a settlement.

These issues include the status of the Serbian-occupied area of Croatia known as Krajina, the future of the overwhelmingly

Albanian-populated Serbian region of Kosovo, minority rights throughout the former Yugoslavia and the quest for peace in Bosnia.

The French official said that the two mediators, who represent the European Community and the United Nations, had embarked on the initiative after Bosnia's Muslim-dominated parliament rejected their repeatedly adjusted partition plan for the former Yugoslav republic on Sept. 29.

Although it is not obvious how a global peace might be attained when the more limited goal of peace in Bosnia has proved elusive, diplomats see some possible advantages in having a wider range of options on the table.

For example, Mr. Tudjman might find it easier to sell an agreement on autonomy for Serbs in Krajina, an area covering about one-third of Croatia, if Mr. Milosevic was at the same time committing himself to allowing Albanian autonomy in Kosovo.

Moreover, it has become clear over the last month that Mr. Milosevic's top priority is to secure a lifting of sanctions on Serbia, whose economy had been reduced to ruins by a 15-month-old international embargo.

He has suddenly issued conciliatory statements about the Bosnian Muslims, including one this week saying that Serbia must adopt a "generous approach" toward them.

And he has clashed publicly with his former ally, Vojislav Seselj, the hawkish leader of the Serbian Radical Party.

In this light, the diplomats see some possibility that an offer of an immediate easing of sanctions in return for Serbian acceptance of some form of autonomy for Serbs in Croatia and Bosnia could be attractive to Mr. Milosevic.

"All Serbian power structures are potential rivals to Mr. Milosevic," said a Western diplomat in Belgrade. "So he might be

tempted now by a plan that offered autonomy to Serbs in Croatia and Bosnia, with channels to Serbia, but denied their quest to form independent states."

However, there are enormous difficulties in the path of such an approach. The status of Serbs in Krajina is a highly emotive issue in Belgrade, and Mr. Milosevic would find it very hard to push through any agreement that accepts that these people are citizens — albeit autonomous ones — of Croatia.

Kosovo, which Serbs regard as the cradle of their civilization, and the status of Serbs in Bosnia are also issues on which Mr. Milosevic may find that even he has little room for maneuver. On Thursday, the spokesman for Mr. Milosevic's Socialist Party of Serbia, Ivica Dacic, issued a statement saying pointedly that Kosovo, the Sandzak and Vojvodina — respectively areas of Serbia in which Albanians, Muslims and Hungarians live — were internal Serbian issues.

NOBEL: The Peace Laureates

Continued from Page 1

business investments and culture will remain more or less intact.

After three and a half centuries of white oppression, most of the fuss in the democracy negotiations has been about the comfort level of the oppressors, not the oppressed.

But the quid pro quo has been this: Mr. de Klerk's government has essentially agreed to negotiate its own surrender, without ever having been defeated on the battlefield.

Further, it has agreed — for the price of a piece of the political action for at least the next five years — to do all it can to smother any backlash that may emerge from white reactionary forces in the military, civilian militia, civil service, business community and society at large.

On Feb. 2, 1990, Mr. de Klerk committed himself and his government to dismantle apartheid, and nine days later Mr. Mandela walked free, after having served 27 years in prison for organizing a bombing and sabotage campaign.

historical determinism," said one political scientist, Robert Schrire. "Had another white leader come to power instead of de Klerk," he added, "one could easily see the apartheid regime holding out another 5, 10 years. And with a different black leader, someone without Mandela's self-confidence and stature, you could see ANC feeling pressed to make demands that no negotiating partner could possibly meet."

"The great credit to them is that they have been able to bring their constituencies along through a very difficult process. This is a country where large portions of each leader's support base thinks the other leader is evil incarnate."

The crux of the deal that Mr. de Klerk's National Party and Mr. Mandela's ANC have been negotiating for more than three years has been to move toward black majority rule gradually enough to assure the 15 percent white minority that their property, living standards,



Nelson Mandela in Johannesburg on Friday, surrounded by well wishers during a toast to him and his Nobel peace laureates.

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Edmond Alphandery, Minister of the Economy, France
Vladimir Dlouhy, Minister of Industry & Trade, Czech Republic
Luigi Spaventa, Minister of the Budget, Italy

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Bessel Kok, Chief Executive, RIT-Belgacom, Brussels
Stefen Szymanski, Professor, London Business School

PRIVATIZATION IN EASTERN & CENTRAL EUROPE
Salvatore Zecchini, Assistant Secretary-General, OECD, Paris

SPECIAL ADDRESS
The Rt Hon Francis Maude, Head of Global Privatization, Morgan Stanley International, and former Financial Secretary to the Treasury, UK

TRANSLATION
English/French French/English simultaneous translation will be available throughout the conference.

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Symbol	Price	% Change
Dow Jones	8,151.18	+10.13
S&P 500	408.80	+1.04
NYSE Composite	3,235.76	+1.45
NASDAQ Composite	2,150.00	+0.88

Symbol	Price	% Change
IBM	134.00	+0.50
Microsoft	71.00	+0.50
Apple	33.00	+0.50
Oracle	55.00	+0.50
Amazon	35.00	+0.50
Amazon	35.00	+0.50
Amazon	35.00	+0.50

Symbol	Price	% Change
Aluminum	1.02	+0.01
Copper	1.50	+0.01
Gold	380.00	+2.00
Oil	24.00	+0.20
Silver	9.00	+0.10

Symbol	Price	% Change
Oil	24.00	+0.20
Gas	1.80	+0.02
Coal	28.00	+0.50
Iron	42.00	+0.50
Nickel	18.00	+0.20

Symbol	Price	% Change
Yield	6.50	-0.05
Duration	3.50	-0.05
Risk	1.50	+0.05
Volatility	2.50	+0.05
Liquidity	3.50	+0.05

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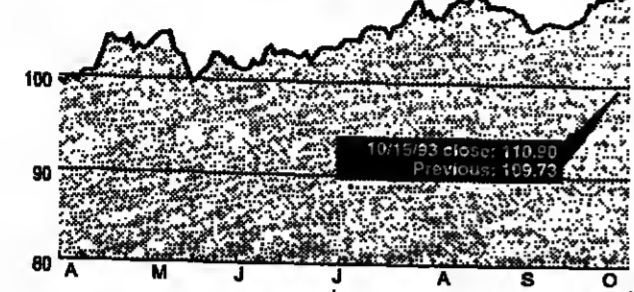
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International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Table with 3 columns: Asia/Pacific, Europe, N. America. Includes sub-tables for Industrial Sectors (Energy, Utilities, Finance, Services, Capital Goods, Raw Materials, Consumer Goods, Miscellaneous) with price, change, and volume data.

Bell Deal May Face Regulatory Hurdle

WASHINGTON — Bell Atlantic Corp.'s proposed \$21 billion takeover of Tele-Communications Inc. ran into a potential hurdle Friday when the Justice Department said it was opposing a federal court ruling on a key regulatory issue. Earlier this summer, a federal court in Virginia overturned a government prohibition against telephone companies providing television programming over their phone lines. Bell Atlantic brought that lawsuit. In response to the Justice Department's announcement Friday, Bell Atlantic said it was confident it would win the appeal. A Bell Atlantic spokesman, Dave Sewall, said in Philadelphia that the Justice Department's decision would have no impact on the company's proposed merger with Tele-Communications. Mr. Sewall said the government's decision to appeal came as no surprise and that Bell Atlantic felt sure the issue would be resolved quickly. Based in Philadelphia, Bell Atlantic 18.4 million phone lines in six eastern U.S. states and the District of Columbia. Tele-Communications, based in Denver, serves over 10 million cable TV homes. Bell Atlantic has been making significant inroads into the cable industry by challenging local cable monopolies and trying to develop technology that would enable it to transmit video over traditional copper-wire telephone lines. The proposed takeover would make Bell Atlantic the No. 6 company on the Fortune 500 list of U.S. companies, in terms of sales.

An Italian Success Story Revamped Harleys Kick-Started Cagiva

By Laura Colby
International Herald Tribune
VARESE, Italy — It was 1978 — a time, not unlike the present, marked by political uncertainty and deep economic crisis — and American companies were fleeing Italy at a rapid clip. Among those to go was Harley Davidson, the motorcycle maker that sold off its Italian activities to Claudio and Gianfranco Castiglioni, brothers who ran a metal pipe business in this lakeside town. The brothers renamed the company after their father and the town, Castiglioni Giovanni Varese, or Cagiva, made a few design changes to the Harley bikes and began an all-out program to improve their reliability. The company's newly revamped, ultrafast motorcycles entered and won many international races, adding market muscle. The newly invigorated company added Ducati of Bologna, Moto Morini and Husqvarna of Sweden to its Cagiva cycle brand, and today is one of Italy's success stories. The company has annual sales of 1.3 billion lire (\$820 million), and exports more than 70 percent of its motorcycle production, including about 7 percent to Japan. Cagiva's tale is a typical one for Italy, rather than the exception, business executives and economists say. Although the country is in deep recession, small and medium-sized companies such as Cagiva have shown a great deal of resilience, boosting their exports and helping to swing the country's trade balance to a surplus. Small companies with fewer than 100 employees produce 87 percent of the Italy's gross national product, according to figures cited by the Milan Chamber of Commerce. About 65 percent of small and medium-sized companies are dependent on exports, according to Nadio Delal, director of Censis, a private research institute based in Rome. Cagiva's structure — a network of small companies making four brands of motorbike, a minicar and metal parts — lends itself to flexibility. "The company is made up of small factories, with brands like Ducati and Morini," said an analyst at a Milan investment bank. "That enables them to react quickly to changing market needs." And, as the state-owned dinosaurs and family-owned giants that have dominated the Italian economy in the postwar years groan under the weight of recession, international competition — and in some cases accusations of corruption as part of Italy's wide-ranging political-financial scandal — many see the small companies as the model for the country's economic future.

European Stocks Surge on Hopes For Rate Cuts

Compiled by Our Staff From Dispatches
European stock markets surged on Friday, with share prices rising more than one percent in London, Paris, Frankfurt and Milan as hopes grew for lower interest rates. The European component of the International Herald Tribune World Stock Index rose 0.81 percent, to 110.14. Stocks set a new record in London, boosted by buying by U.S. investors and by hopes for a cut in British interest rates at the time of the budget presentation at the end of November. The 100-share Financial Times-Stock Exchange index jumped 34.5 points, or 1.1 percent, to 3,120.8. Government bonds were up by as much as a third of a point. Shares volume hit 796.7 million shares, against 614 million on Thursday. Frankfurt shares also hit a record high, with the DAX index jumping 1.25 percent, to 2,015.23 points, in very active trading. Traders said stocks were in good form because of the strong performance of the Frankfurt bond market and statements by Paris by the Bundesbank chief, Hans Tietmeyer. The central bank president said at a forum Friday that he did not rule out a reduction of German interest rates "if the required conditions are met." Allianz rose 48 to 2,728. Daimler-Benz was up 6.20 to 750.20 and Siemens gained 8.40 to 716.80. The Paris Bourse was boosted by the performance in London and Hong Kong stocks hit new record as political strains ease. Page 13. Frankfurt, traders said. The CAC-40 index gained 1.2 percent, to 2,139.26 points. Traders said Mr. Tietmeyer's statements fueled hopes for lower interest rates in Germany next week. Elf-Aquitaine gained 0.12 percent on heavy volume of 630,000 shares to finish at 427.50 francs. The insurer UAP jumped 4.2 percent to 257.20. Finally, Milan put an end to a four-session losing streak as the Mibtel stock index jumped 1.98 percent, to 10,226, as investors returned to the market for the first day of the new trading month. Attention was focused on the massive Fiat rights issue, and the auto-

ECONOMIC SCENE

Military Contractors Turn To Recycling of Old Arms

By Barry Meier
New York Times Service
MAGNA, Utah — Having earned billions of dollars building weapons for the U.S. military, many contractors think they have found a new growth area — dismantling and recycling the weapons they were paid to make. "If you are looking for someone to take things apart, the first guy you are going to look for is the guy who made them," said Steven Malevich, a marketing director for Alliant Techsystems Inc., which makes bullets, cluster bombs and torpedoes. For decades, the military discarded conventional weapons like bombs by blowing them up, burning them or dumping them in the ocean. But as environmental regulations slowly bring such practices to a halt, the Defense Department has turned to military contractors like Hercules Inc., which once turned out hundreds of missile motors a year in Utah, to find sounder ways to dispose of explosives and other weapons, as well as to recycle their ingredients. The Defense Department is sitting on about 345,000 tons of bombs, bullets and other ordnance. The government also has unfired missile motors, unwanted chemical and nuclear weapons it wants to get rid of, and this arsenal of obsolescence is expected to grow in coming years at the ultimate cost of destroying old arms, but there is a little question it will amount to hundreds of millions of dollars. Nor is the U.S. government alone in such initiatives. In July, Alliant Techsystems, based in Edina, Minnesota, entered into a venture with Ukraine's government to dispose of 200,000 tons of ammunition, artillery shells and mortar rounds. For weapons producers, the chance to recycle old arms will not greatly soften the blow of a sharp decline in orders. But many executives, seeking to convert their companies to a peacetime economy, are desperate for any opportunity to generate revenue. Both government and contracting officials said it was difficult to estimate the cost of recycling a specific weapon. Mr. Malevich of Alliant Techsystems said that tank artillery shells, for which the government paid about \$1,500 each, cost about \$25 each to burn and would probably cost about \$75 each to recycle. Government officials want to avoid some of the controversies associated with less sophisticated disposal techniques. Between 1985 and 1991, for example, the Defense Department destroyed

FDA Levies Its Biggest Fine Against Bard

Compiled by Our Staff From Dispatches
BOSTON — One of the world's largest medical supply companies agreed Friday to pay a record \$61 million fine after admitting that it had sold defective heart catheters to 20,000 patients. The chairman of C.R. Bard Inc. and five present and former executives were indicted on charges arising from the sale. The indictment said they concealed the fact that the products were defective. At least one patient died as a result of the defects in the catheters, wires with balloon-like tips that are threaded into the coronary arteries to prevent clogging. In a plea agreement, the company, based in Murray Hill, New Jersey, admitted that one of its divisions had committed mail fraud, made false statements and shipped unapproved products. The company agreed to pay a record \$61 million, the biggest fine ever levied in a case by the U.S. Food and Drug Administration, which oversees the drug industry. "It's a pretty worrisome thing in general, considering the size of the settlement and the severity of the punishment," said Jonathan Osgood, an analyst with Alex. Brown & Sons in Boston. Mr. Osgood said that if the company takes a reserve for the full amount in the third quarter, as it has indicated, it would amount to about 70 cents a share and could result in a loss of 30 cents a share or more. The company said it would pay to three installments, consisting of \$30.5 million after court approval of the settlement and two installments of \$15.25 million each. It expects to report third-quarter results on Tuesday. The company's stock was down 4 1/2 at \$25 on Friday on the New York Stock Exchange. Shortly after the indictments were announced, the company's chairman, George Maloney, resigned. Bard said Mr. Maloney would leave immediately to prepare his defense. The indictments followed one of the biggest fraud investigations by the Food and Drug Administration and the Justice Department, U.S. Attorney A. John Pappalardo said. "For over three years Bard and several of its top officers in their effort to maximize profits, ignored the laws that protect the health and safety of all patients in the United States," he said. Prosecutors said that C.R. Bard's USCI division, with its knowledge of senior company officers, violated FDA regulations by selling and distributing the unapproved catheters that were used in about 20,000 patients. The catheters were sold between 1987 and 1990 despite the fact that they had not been approved as safe for human use. The indictment said the catheters proved to be defective and company officials concealed this from the FDA. All the defective products have since been withdrawn from the market. (Reuters, Bloomberg)

Sculley Leaves a Troubled Apple Behind

The Associated Press
NEW YORK — John Sculley, the Apple Computer Inc. chairman who turned the easy-to-use Macintosh from a novelty into a marketing wonder of the 1980s, resigned Friday after 10 years at the forefront of the computer revolution. The move had been expected since Mr. Sculley was replaced as chief executive in June, and he leaves on a down note. For Apple, 1993 has brought weak profit, a major restructuring and profound questions about its future. Mr. Sculley, 54, did not announce his plans. But he has been rumored as a candidate for top corporate jobs, and analysts said he would be a natural for one of the combinations sweeping the communications industry. Mike Markkula, 51, a vice chairman and one of Apple's founders, was named chairman. Mr. Sculley, who joined Apple in 1983 from PepsiCo Inc., was succeeded as CEO by Michael Spindler. "I've had some wonderful years at Pepsi, an extraordinary journey at Apple, and now I'm ready to head off to new challenges," Mr. Sculley said. Mr. Sculley was a power struggle in 1985 with Steven Jobs, who founded Apple in a California garage, and led its transformation from a \$600 million company with a small following into an \$8 billion colossus. His exit was rooted in the year-old price wars for personal computers that have slashed profit margins across the industry. Weak demand for its pricey Macintosh led large stockpiles. Apple's U.S. market share was 12.3 percent in the first half of 1993, down from 13.3 percent a year earlier, according to International Data Corp. Mr. Sculley stepped down as CEO shortly before Apple laid off about 2,500 employees and reported its biggest quarterly loss ever, \$188 million. Signs that Mr. Sculley was detaching himself from Apple were plentiful. He began spending more time as a company and industry visionary, rather than running operations. "He's been trying to leave for well over a year, and it's too bad the board had to come up with such a graceless way to do it," said Richard Shaffer, a principal in Technology Partners, a consulting firm. "He could have left as a hero. Now there's a cloud over the departure." It may be slowly lifting. On Thursday, Apple reported slim quarterly profit of \$2.7 million; analysts had expected a loss. Sales climbed 21 percent to \$2.14 billion in the period from a year earlier, and shipments were strong. That news bolstered Apple shares. The stock climbed \$4.50 to \$28.25 in heavy over-the-counter trading Friday, but remains less than half its level in May. Analysts said Mr. Sculley's emphasis on new technologies could position Apple well for the future, but Mr. Spindler needs to keep down Macintosh prices relative to the IBM-compatible PCs that dominate the market and refocus its product line. Michael Murphy, editor of the California Technology Stock Letter, said he believed the "only mistake" Mr. Sculley made was "believing you could charge premium prices for Macintosh hardware forever." But Mr. Sculley leaves knowing Macintosh has strengthened in the small business and home office market with lower-cost models. Apple's Powerbook portable computer, another Sculley-led success, remains strong. The handwriting-based Newton "personal communicator" touted by Mr. Sculley also remains promising despite criticism that it does not recognize the written word well. Finally, Mr. Sculley has positioned the company in joint ventures for software and multimedia. "I think many of John's visions of future directions will prove to be correct," Mr. Shaffer said.

CURRENCY & INTEREST RATES

Table with columns: Cross Rates, Other Dollar Values, Forward Rates. Includes data for various currencies and interest rates.

Eurocurrency Deposits

Table with columns: Dollar, D-Mark, Swiss Franc, French Franc, Yen, ECU. Includes interest rates for various terms and currencies.

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MARKET DIARY

STOCKS: An Advance in Europe

Continued from Page 11
maker's stock plunged 1,833 lire, or 33 percent, to 3,756 lire.

N.Y. Stocks

This week's currency turmoil might end in a crack next week in interest rate policy by France and other countries.

Tim O'Dell, equities strategist with UBS, said, "Based on past experience, investors know that if rates break, the market will rise 10 percent while if nothing happens, the market will slip 2 percent."

Analysts said stock prices were also helped by the view that Europe has hit bottom in the economic cycle and that recovery isn't far off.

U.S. Stocks Gain

Stocks closed with modest gains in heavy trading on the New York Stock Exchange Friday, boosted by a bond rally following the second straight day of encouraging inflation data.

FRANC: At a Low Versus Mark

Continued from Page 11
most a reduction of only 10 basis points in the yield of a 10 percent rate in Germany.

Foreign Exchange

reasure the market that rates are edging down even if more slowly than hoped for.

Elsewhere, the Belgian franc remained under pressure and the central bank — as it has done almost every day this week — intervened to support it.

Belgian efforts to stabilize the franc at 22.35 per mark were seen lacking conviction given the diminished level of the country's reserves and the burden of an enormous domestic debt, which bars any increase in interest rates to protect the currency.

Continued from Page 11
tion news, United Press International reported from New York.

The Dow Jones industrial average, which climbed 18.44 points Thursday, added 8.10 points to 3,629.73, according to an unofficial tally.

Big losses in two Dow components neutralized solid gains in two other stocks that are part of the index.

Volume was a strong 353 million shares, boosted by program activity related to "double-dipping hour" — the monthly expiration of stock-index futures and options on the same day.

The bellwether 30-year Treasury bond, which jumped 29.72 Thursday to yield a record low 5.85 percent, was ahead 1/8 on Friday to 106 17/32.

Gene Seagle, technical research director at Gruntal & Co., said the market had several "positives" going for it Friday — low interest rates, positive economic news and "the explosive move in European markets."

He said investors and market observers were "beginning to feel that the current merger mania is getting a little overdone. If it goes on, the market could get overheated."

The U.S. currency closed at 1.6173 Deutsche marks, up from 1.6128 the close Thursday, at 5.7263 French francs, up from 5.7080, and at 1.4378 Swiss francs, up from 1.4223.

The dollar declined to 107.15 yen, from 107.45, after a report showed a widening trade gap with Japan.

Analysts said the dollar should climb a bit next week on the view that the U.S. economy is finally getting muscular while overseas, interest-rate cuts, monetary tensions and weak economies will soften currencies.

Analysts said they see the dollar trading between 1.61 and 1.64 DM next week. (AFP, Knight-Ridder)

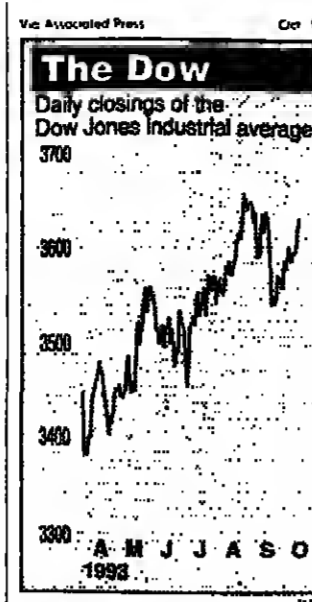


Table with columns: NYSE Most Actives, Vol., High, Low, Last, Chg. Lists top trading stocks like NYSE, SPDR, and various individual stocks.

Table with columns: AMEX Stock Index, High, Low, Close, Chg. Lists market indices like NYSE 4-pm volume, AMEX 4-pm volume, etc.

Table with columns: NYSE Diary, Adv. Declined, Unch. Total Issues, NYSE Volume. Shows market activity and volume changes.

Table with columns: AMEX Diary, Adv. Declined, Unch. Total Issues, AMEX Volume. Shows market activity and volume changes.

Table with columns: NASDAQ Diary, Adv. Declined, Unch. Total Issues, NASDAQ Volume. Shows market activity and volume changes.

Dow Jones Averages

Table with columns: Index, High, Low, Last, Chg. Lists Dow Jones Industrial, S&P 500, etc.

Table with columns: Standard & Poor's Indexes, High, Low, Close, Chg. Lists various industry and sector indices.

Table with columns: NYSE Indexes, High, Low, Close, Chg. Lists NYSE industry and sector indices.

Table with columns: NASDAQ Indexes, High, Low, Close, Chg. Lists NASDAQ industry and sector indices.

Table with columns: AMEX Stock Index, High, Low, Close, Chg. Lists AMEX market indices.

Table with columns: Dow Jones Bond Averages, High, Low, Close, Chg. Lists various bond market averages.

Table with columns: Market Sales, NYSE 4-pm volume, AMEX 4-pm volume, etc.

Table with columns: N.Y.S.E. Odd-Lot Trading, Buy, Sell, Short. Shows odd-lot trading activity.

Table with columns: S&P 100 Index Options, Bid, Offer, Last, Chg. Shows S&P 100 index options activity.

Table with columns: NASDAQ Indexes, High, Low, Close, Chg. Lists NASDAQ industry and sector indices.

EUROPEAN FUTURES

Table with columns: Class, High, Low, Prev. Close, Open, High, Low, Close, Chg. Lists European futures contracts.

Table with columns: COCOA (LCE), High, Low, Close, Chg. Lists cocoa futures contracts.

Table with columns: COFFEE (LCE), High, Low, Close, Chg. Lists coffee futures contracts.

Table with columns: WHITE SUGAR (WHF), High, Low, Close, Chg. Lists white sugar futures contracts.

Table with columns: METALS, High, Low, Close, Chg. Lists various metal futures contracts.

Table with columns: ALUMINUM (ALU), High, Low, Close, Chg. Lists aluminum futures contracts.

Table with columns: COPPER (COP), High, Low, Close, Chg. Lists copper futures contracts.

Table with columns: GOLD (GOL), High, Low, Close, Chg. Lists gold futures contracts.

Table with columns: OIL (OIL), High, Low, Close, Chg. Lists oil futures contracts.

Table with columns: EURO (EUR), High, Low, Close, Chg. Lists Euro futures contracts.

U.S. FUTURES

Table with columns: Class, High, Low, Prev. Close, Open, High, Low, Close, Chg. Lists U.S. futures contracts.

Table with columns: SOYBEANS (SOY), High, Low, Close, Chg. Lists soybean futures contracts.

Table with columns: WHEAT (WHE), High, Low, Close, Chg. Lists wheat futures contracts.

Table with columns: CORN (COR), High, Low, Close, Chg. Lists corn futures contracts.

Table with columns: CATTLE (CAT), High, Low, Close, Chg. Lists cattle futures contracts.

Table with columns: PORK (POR), High, Low, Close, Chg. Lists pork futures contracts.

Table with columns: HOGS (HOG), High, Low, Close, Chg. Lists hog futures contracts.

Table with columns: LARD (LARD), High, Low, Close, Chg. Lists lard futures contracts.

Table with columns: SOYBEAN OIL (SOY), High, Low, Close, Chg. Lists soybean oil futures contracts.

Table with columns: WHEAT OIL (WHE), High, Low, Close, Chg. Lists wheat oil futures contracts.

U.S./AT THE CLOSE

Trade Deficit Narrows

WASHINGTON (UPI) — The trade deficit shrank a second consecutive month in August, while the prices consumers paid for goods and services held steady in September, the government said Friday.

In other data on the economy, industrial production rose a fourth consecutive month and earnings of U.S. workers tumbled in September. Inventories held by businesses edged up in August.

The deficit for the international trade of goods narrowed to \$9.7 billion from July's \$10.4 billion trade gap, the Commerce Department said. August's decrease was due to a \$1.1 billion climb in exports, mostly aircraft and cars.

The Labor Department, meantime, reported that prices at the retail level remained unchanged in September, held in check by declines in energy, apparel and tobacco prices.

Equities Soar for Texas Instruments

DALLAS (Bloomberg) — Texas Instruments Inc. said Friday that third-quarter earnings more than doubled, far exceeding analysts' estimates. The company said net income rose to \$146 million, or \$1.54 a share, from \$57 million, or 58 cents, in the year-earlier period.

TTI's stock rose \$2.50 to \$65.50 on the New York Stock Exchange. Revenue rose 14 percent to \$2.2 billion. Soaring business in the company's semiconductor sector, which accounts for about 50 percent of its revenue, and increased patent royalties more than offset declines in the defense electronics sector.

BATTLE CREEK, Michigan (Bloomberg) — Kellogg Co. stock soared Friday after the company said third-quarter results, followed by gains in cereal volume, rose a better-than-expected 5 percent.

The company said net income rose to \$209.3 million, or 90 cents a share, from \$199.7 million, or 84 cents, a year earlier. Kellogg's record third-quarter earnings came in ahead of Wall Street's expectations, and the stock rose \$3.25 to \$56 on the New York Stock Exchange.

DETROIT (Combined Dispatches) — The United Auto Workers Union said Chrysler Corp.'s \$4,000 hourly workers approved the union's tentative three-year labor agreement on Friday by a margin of 74 percent. On Sept. 29, Ford Motor Co.'s 1.5 hourly workers approved by a 2-to-1 margin a three-year contract replete with the UAW on Sept. 16. The Chrysler contract is patterned after the Ford agreement, which covers about 96,000 U.S. workers.

The Ford and Chrysler agreements provide for a 3 percent wage increase in the first year and 3 percent lump-sum payments in 1995 and 1996, a 13 percent gain in pensions over three years and fully paid health insurance. (Reuters, Bloomberg)

Chemical Banking Corp. and Chase Manhattan Corp. are asking U.S. regulators for permission to underwrite and sell stocks, indicating a further breakdown in the division between banks and investment houses. (AP)

ITT Corp. will cut 1,100 of the 4,000 jobs at its world and division headquarters sites, saving the company \$147 million, or 81 cents a share in annual costs, the company said Friday in New York. (Bloomberg)

Robin & Hays Co. expects to report a loss for the third quarter ended in September, due to charges not related to ongoing operations totaling \$50 million after taxes or 0.74 cents a share. (Reuters)

Tandy Corp.'s chairman, John Roach, said in Fort Worth, Texas, that he expects third-quarter earnings to be "flatish," but the year as a whole to be up significantly. (Reuters)

MILAN — The British hotel group Forte PLC said Friday it was buying control of the operating company of Ciga Hotels SPA, the heavily indebted luxury hotel company controlled by the Aga Khan.

hotels and will have a majority stake in the Ciga operating company that will emerge from the restructuring. Under the plan, Ciga would be split into two companies — a property company, which would carry most of the debt, and the operating company, which would have a small stake in the property concern.

Continued from Page 11
maker's stock plunged 1,833 lire, or 33 percent, to 3,756 lire.

Continued from Page 11
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WORLD STOCK MARKETS

Table with columns: Country, Index, High, Low, Last, Chg. Lists stock market indices for various countries including Amsterdam, Brussels, Frankfurt, etc.

Table with columns: Country, Index, High, Low, Last, Chg. Lists stock market indices for various countries including Hong Kong, London, Madrid, Milan, etc.

Table with columns: Country, Index, High, Low, Last, Chg. Lists stock market indices for various countries including Paris, Singapore, Stockholm, Toronto, etc.

Table with columns: Commodity, High, Low, Last, Chg. Lists various commodity prices including grains, metals, livestock, and financial instruments.

سكفا من الأمل

NYSE

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

12 Month High Low Stock	Div	Yld PE	High Low Last Close	12 Month High Low Stock	Div	Yld PE	High Low Last Close	12 Month High Low Stock	Div	Yld PE	High Low Last Close	12 Month High Low Stock	Div	Yld PE	High Low Last Close
ABC INVESTMENT SVCS INC			15.00												
ABC INVESTMENT SVCS INC			15.00												
ABC INVESTMENT SVCS INC			15.00												

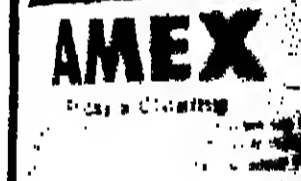
INTERNATIONAL FUNDS

Oct. 15, 1993

Questions applied by funds listed. Not used where questions are supplied by the Funds listed with the exception of some quotes based on issue prices.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - (B) bi-monthly; (m) - monthly; (q) - quarterly; (S) - semi-annually; (Y) - yearly.

12 Month High Low Stock	Div	Yld PE	High Low Last Close	12 Month High Low Stock	Div	Yld PE	High Low Last Close	12 Month High Low Stock	Div	Yld PE	High Low Last Close	12 Month High Low Stock	Div	Yld PE	High Low Last Close
ABN AMRO BANK NV			15.00												
ABN AMRO BANK NV			15.00												
ABN AMRO BANK NV			15.00												



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MONEY

FIRST COLUMN Markets, Psychology, And a Glass

WHY not live dangerously? Allow yourself to make the (admittedly somewhat risky) assumption that the markets have their own particular cast of mind.

It is against this background of unreason that academics have been struggling to find the "fundamentals," or "economic facts" (whatever those might be) that actually influence market behavior.

There are all sorts of theories as to what the constituent elements of market consciousness might be. Some academic studies show that index price closings avoid "benchmark" points (say 1,600, or 2,000). That seems to indicate there is such a thing as a collective consciousness (otherwise there could be no such thing as a psychological barrier).

Here, then, is just one way that market behavior seems to be a mind game. And it is all the more frightening because no one quite knows what the mind of the market really is.

Now when you see and bear those with vested interests talking about the sensible value of markets at this weekend's dizzy heights, you will know what is at the back of their minds: They're talking a good game of greed, but the more they talk, the more they feel the fear of the inevitable fall.

M.B.

Troubling Echoes Of the Crash of '87

By Philip Crawford

WITH equity market highs around the globe being reached seemingly every week, perhaps the best antidote for investors who find a little giddiness difficult to resist is the memory of exactly six years ago.

A lot of the bullishness that characterized the Reagan years turned to humility and woe later that month, of course, when the New York Stock Exchange suffered its second great crash of this century, pulling other major markets down with it.

Entering the third week of October 1993, some echoes of 1987 seem to be in the wind. Not just the bullish voices, but the behavior of the markets themselves. All one has to do is look at the lengthy upward index curves and the extravagant price-earnings ratios around the globe to see the parallels.

Such developments should be enough to give even the most sanguine of investors pause, and to raise a fundamental, somewhat disturbing set of questions: Have global equity markets become overvalued? Is a major correction, perhaps even a third crash of the 20th century in the offing, possibly before the dawn of 1994?

Most international economists and investment strategists, acknowledging that some similarities to 1987 currently exist, say that a crash in the near future is doubtful, although some experts see the possibility as far less remote than others. As for the reasons why current market patterns, which mirror or at least appear to reflect those of six years ago, should produce a different result, the opinions are numerous and diverse.

"Stock markets are full of booms and crashes," said Michael Hughes, global investment strategist for the London brokerage Barclays de Zoete Wedd. "And I never say 'never' to the question of a crash's likelihood. That having been said, however, this is not the summer of 1987. Certain market forces that were operating then are not operating now."

Perhaps the most obvious parallel between 1987 and 1993 is the plethora of prolonged stock market rallies around the globe. As of Thursday's closing, for example, the DAX index of German stocks had gained 28.8 percent this year, and the CAC-40 index of leading

French stocks was up 13.7 percent. The Milan index of Italian equities has grown 25 percent since the first of the year, while the Hang Seng stock exchange has risen 38.9 percent, setting a new record of 8763.98 on Friday. The litany goes on.

In Japan, the Nikkei 225 index is up 19 percent, and in Switzerland, the Swiss Performance Index has jumped 31.3 percent. The International Herald Tribune World Stock Index of 230 internationally investable stocks from 20 countries has gained 20.5 percent this year.

More modest gains have been registered by the FTSE-100 index in London (8.4 percent), and the Standard and Poor's 500 index in New York (7.1 percent), but the high P-E ratios of those markets has provided a degree of ammunition for those who say the bubble is about to burst in a big way.

Price-earnings ratios, or the ratio of a company's share price to its per-share earnings, are currently higher than they were in October 1987 in many major markets, most glaringly in Japan. As of Sept. 30, the prime stocks on the Japanese market were trading at 72 times earnings, according to Morgan Stanley Capital International, which compiles its own indexes of more than 20 major markets, and computes market P-E figures. MSCI statistics showed the American market to be trading at about 22 times earnings, the United Kingdom at 20, Germany at 23, and France at 24 times earnings at the end of the third quarter.

Although interpretations of the "highness" or "lowness" of P-E ratios can vary widely from sector to sector and market to market, a P-E or "market multiple" of 20 is typically considered quite pricey, and often, overvalued.

Some analysts, however, say that such levels shouldn't cause too much alarm, because major markets are coming out of recession, which wasn't the case six years ago.

"It's true that the markets are expensive in P-E terms," said James Cornish, European strategist for NatWest Securities in London. "But that's O.K. if you believe that economies in Continental Europe will pick up in 1994, and that we'll see earnings growth of 15, 20, 25 percent. Personally, I believe that earnings will pick up."

David Blitzer, chief economist for the independent research firm Standard & Poor's Corp. in New York, concurred that European

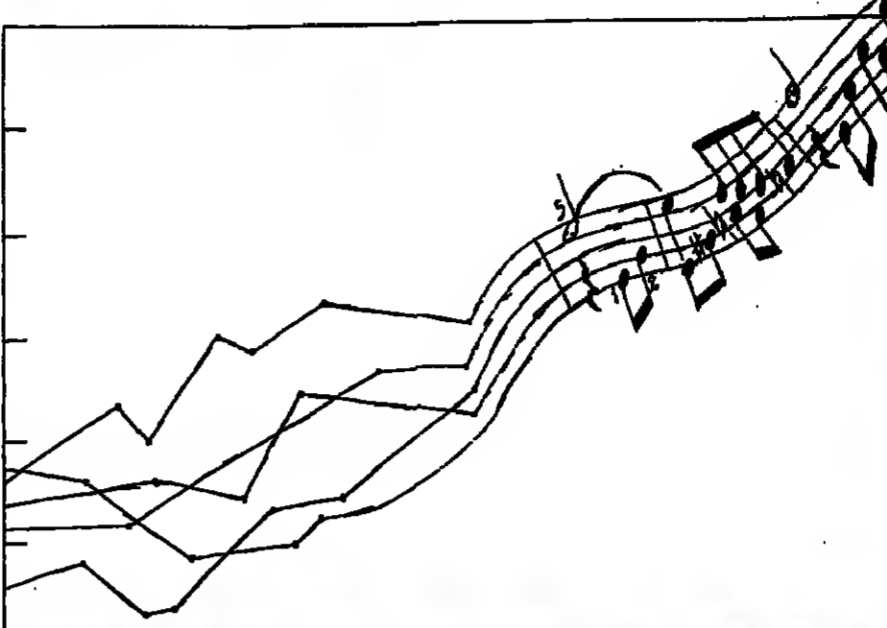


Table with 2 columns: Index Performance through Oct. 14, in percent. Rows include Australia (18.50, 14.70, ASX20 +26.7), Canada (55.10, 3.59, TSE-300 +23.7), Germany (23.00, 22.48, DAX +28.8), Italy (190.20, 30.63, Hang Seng +52.6), Switzerland (17.00, 25.73, Milan +25.1, Nikkei 225 +18.6, SPI +31.3), S&P 500 +7.1, IHT World Stock Index +20.5



markets have been trading on anticipation of recovery, and warned that "big problems" would develop if economies could not confirm in 1994 what the markets have predicted this year. He said the situation in the United States was different in some ways but similar in others.

Paul Horne, international economist at Smith Barney Shearson in Paris, said he was encouraged that European companies seem to have learned the American method of corporate cost cutting which, though bad news for workers, is often good news for shareholders.

"With the cost cutting that many European companies have been carrying out, small pick-ups in unit sales can have a much larger impact on the bottom line," said Mr. Horne. "This trend should support European equity markets."

By most accounts, Japan is the most likely major market to undergo a serious correction in the near future. Three years of declining corporate profits, little prospect for economic recovery, and sky-high share prices tell the tale.

"By now, the government has arrived at the point of discussing a fourth stimulus package, to be worth 6 trillion yen (\$57 billion) and which is supposed to include tax cuts. But any sort of real recovery and increase in corporate profits still looks some ways off to me."

Turning to the United States, Mr. Cliffe added that while he was not currently worried about a crash there, an upturn in interest rates might make him think twice.

It's the interest rate picture, as well as the outlook for inflation, that many experts point to when comparing 1993 to 1987. Fairly basic economic theory says that equity markets tend to climb when interest rates are low, since bonds and money market instruments are that much less attractive.

"In 1987, the model was broken," said Mr. Dhar. "The stock market was high, but so were interest rates. And with rates so high, there was no support for equities. True, markets may be extended and expensive now, but they are underpinned by low interest rates and low inflation. That's why if there is a correction coming, it will be shallower and shorter than it was in '87."

Yields for the benchmark U.S. 30-year Treasury bond had crossed the 10 percent barrier in October 1987, while the long bond is currently yielding less than 6 percent.

Mr. Hughes, of Barclays de Zoete Wedd, put a slightly different spin on a similar idea. "Now," he said, "investors are still being paid to take equity risk, since equity markets are responding to reductions in real bond yields. In '87, real bond yields became higher than the expected long-term real return from equities. Asked what might trigger a major correction this year, Mr. Hughes replied: "Anything that raises real bond yields."

"My biggest fear," he continued, "is that inflation will become negative. If that happens, real bond yields would rise and the equity bubble could pop. I give that scenario about a 10 percent probability."

Negative inflation, or when money is worth more in the present than it was in the past, can occur for a variety of reasons. Among them is when companies facing sub-par earnings projections take the tack of trying to gain market share by adopting major price discounts. Examples that apply currently would include the airline and automobile industries.

Mr. Horne, of Smith Barney Shearson, allowing that the P-E ratios of many major markets currently look "barrowing," maintained that expected further interest rate cuts and easier monetary policies should compensate for lackluster corporate earnings, at least for a while longer. "If you want to point to something that looked just like 1987," he added, "look at the markets in Helsinki, Stockholm, and Madrid in October of 1992, just after the ERM crisis."

BRIEFCASE

For Pricy Apartments, Paris And Monte Carlo Lead Pack The Corcoran Group, a New York-based residential realtor, has just released its annual survey of apartment prices in the most exclusive residential districts around the world.

The pecking order is virtually unchanged from the group's 1992 report, with apartments on the waterfront in Monte Carlo and Avenue Henri-Martin in Paris topping the most costly list at, respectively, \$12,903 a square meter and \$12,240 a square meter.

Prices of residences along New York's Fifth Avenue seem bargain-basement by comparison. Still suffering from the city's prolonged real-estate slump, apartments at Manhattan's most sought-after address are selling for an average \$3,690 a square meter, making them sixth-ranked behind Monte Carlo, Paris, Tokyo, London and Zurich.

The Corcoran International Report is based on current sales prices for luxury two-bedroom apartments in upscale neighborhoods. Data are gathered from residential brokers and real-estate consultants in major cities around the globe.

Kleinwort Benson Plans A 2d Life Insurance Fund Kleinwort Benson Investment Trusts, the London-based mutual fund arm of the eponymous merchant bank, has announced that it will be launching a second fund investing in life policies sometime next month.

What the trust will be buying is the right to receive the benefit of a life policy on the death of the life assured, or the sum accrued on the expiration of the term of the policy — if, as many do, the policy offers either a sum assured on death, or an unspecified benefit if the person insured is still living. The key factors affecting the value of the policy are the investment track record of the insurance company's management team, the length of term unexpired, and in some cases, the life expectancy of the person insured.

Information on the fund, which will be quoted on the London Stock Exchange for a term of about 12.5 years, is available from the firm's preregistration desk. Potential investors should call London (44 71) 956-5832.

Kleinwort Benson's first venture in this field quickly reached its minimum target of \$30 million (\$45 million), and is now approaching full investment. Simon White, managing director of Kleinwort Benson Investment Management, said that the management team's experience in "purchasing attractively priced policies (would) be particularly helpful to the new fund. Indeed, we have the only team with specialist experience of running a large fund of this nature."

World's Best Bond Market? It's Currently New Zealand The bull market in bonds keeps on running. "Despite the maturity of the bull mar-

ket in bonds, now entering its fourth year, the average local currency return (both capital and coupon income) of the 21 government bond markets in our universe in the July to September period was, at 3.83 percent, over a percentage point higher than the returns in three of 1992's quarters," writes Kemper Investment Management, the London arm of the U.S. mutual fund firm.

In dollar terms, the best performer of the quarter was the New Zealand market, up 7.9 percent, with Austria and the Netherlands following closely at 7.8 and 7.7 percent respectively. Over the year to the end of September, dollar investors would have done best in Japan, with an handsome return of 25.2 percent. Second over this period is the New Zealand market, with 17.2 percent, followed by Norway on 16.7 percent.

Fleming's Chinese Fund Is Heavily Oversubscribed

Fleming Investment Trust Management reports \$2.70 chasing every dollar's worth of investments in its newly launched Chinese fund. "The great majority of shares have been taken up by private investors or financial intermediaries acting on their behalf," said Lord Mark Fitzalan-Howard, London-based chairman of Fleming Investment Trust Management. The allocation basis favored smaller investors, with those seeking the minimum investment having two-thirds of their application granted. At the top end of the scale, investors seeking 600,000 shares received just 27,300, or 4.6 percent, of their application.

Advertisement for 'The newly expanded Money Report' featuring multiple copies of the report and promotional text.

SPORTS

Kukoc's Reality Check: There's More to Life Than Post-Jordan Bulls

By Harvey Araton
DEERFIELD, Illinois — Back home in Split, Croatia, war has been waged 40 or 50 kilometers from his parents' house. Every couple of days, Toni Kukoc calls to make sure everything is all right.

whose ghost he inevitably must contend with, for better or worse. Kukoc insists he can't wait. "Maybe it's big pressure," Kukoc said of stepping into the lineup and limelight with the sunned, Michael Jordan-less Bulls. "But that's O.K. Let's say I like it this way."

Not that things couldn't be better for Kukoc, as he, at 25, prepares for his long-expected rookie season in the NBA. Forget Jordan and the dramatic effect his retirement will have on Kukoc's carefully planned transition. Drazen Petrovic is not in the NBA either.

"War is not game. If you lose, you can be mad or sad two or three days. War makes you sad every day, every minute."

the workout room at the team's practice facility. Whatever coolness there was due to General Manager Jerry Krause's fanatical three-year pursuit of Kukoc while his team was winning three NBA championships ought to be gone, though Horace Grant remains unsigned for next season and unforgiving that he hasn't been financially rewarded, and Scottie Pippen refers to Kukoc as "a rookie who has to prove himself to the league."

believed Krause was wasting his time — and their money — on. For the Bulls to even be a solid playoff team, much less a title contender, they need Kukoc to be the player Krause staked his reputation on, be it as a shooting guard, a small forward or simply as the generic Man With The Ball.

retire before I come, I still would come. Michael may be the biggest player in the NBA, but he's not the NBA."

Eagles vs. Giants: Who'll Be No. 1?

EAGLES (4-1) at GIANTS (4-1): KEY STAT: Eagles quarterback Bobby Brister is 29 of 50 for 317 yards with 3 touchdowns and 2 interceptions; Giants have NFC's best rush defense (79.4 yards allowed per game) and second-best pass defense (159.4). COMMENTS: Brister has been ridiculed from all circles. Can he possibly be as terrible as most think? No, and expect him to perform admirably vs. the Giants with his scrambling ability providing a crucial key. The Giants, however, have more balance and receiver Mike Sherrard is compiling a special season.

NFL MATCHUPS

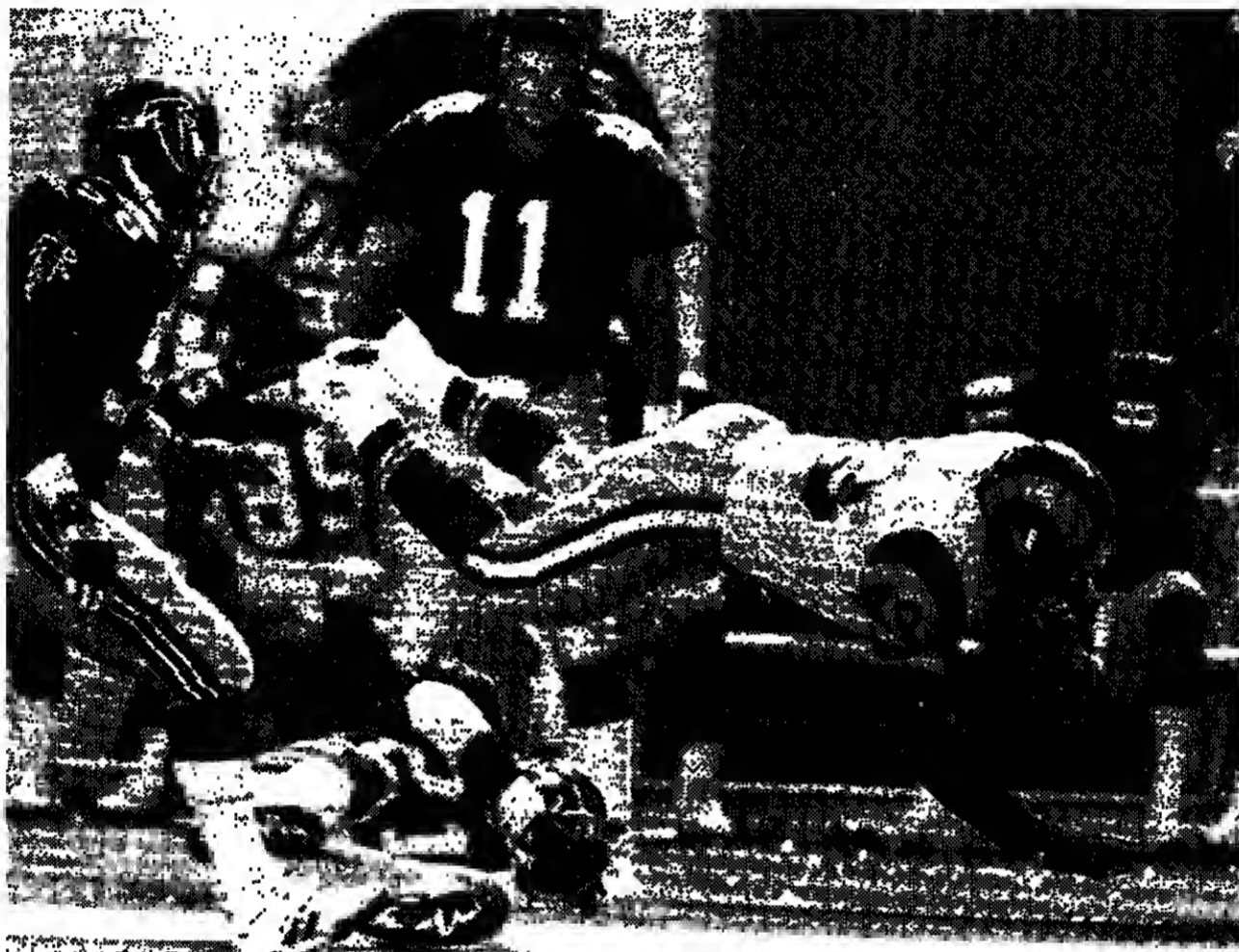
where he has become the primary target. The winner claims sole possession of first place in the NFC East. Odds-makers favor the Giants by 7 1/2 points. BROWNS (3-2) at BENGALS (0-5): KEY STAT: Browns have lost five straight in Cincinnati but beat Bengals in season-opener, 27-14; Bengals limited Chiefs to 203 total yards last Sunday in 17-15 road loss. COMMENTS: Vinny Testaverde starts for Cleveland. Here's what the Browns like about Testaverde over Kosar: his play-action passes buy more pass protection time and his mobility is far greater.

OLIVERS (1-4) at PATRIOTS (1-4): KEY STAT: Oilers punter Greg Montgomery leads AFC with 43.3 average and has league-long punt of 77 yards; Patriots' Leonard Russell rushed for 116 yards vs. Phoenix for his first 100-yard game since '91 rookie season. COMMENTS: "What's wrong with me? What's wrong with us?" said Warren Moon, answering a tough question with a better one. Mooov will have time to think about it since he is benched for Cody Carlson as speculation fuels that he might be traded. New England quarterback Scott Seales makes his first start in six pro seasons. Oilers by 6 1/2.

SAINTS (5-0) at STEELERS (3-2): KEY STAT: Saints own NFL's No. 1 rushing game, averaging 159.6 yards per game; Steelers feature NFL's No. 1 rushing defense, allowing 58.4 yards per game. COMMENTS: The Saints are the league's only unbeaten team, and if they reach 6-0 they will become the seventh team since 1986 to reach that mark. Four of the previous six advanced to the Super Bowl and two won it, Pittsburgh, however, has won 12 of its last 14 home games and it matches up with the Saints in perfect fashion. Saints by 3.

SEAHAWKS (3-2) at LIONS (3-2): KEY STAT: Seahawks defensive end Michael Sinclair leads team with five sacks and had only one sack in the last two seasons; Lions have won 10 straight when leading in possession time. COMMENTS: Rodney Peete has been named the Lions' starter for the rest of the season and he should bounce back nicely vs. Seattle. In quarterback Rick Mirer, Detroit must defend the run as much as the pass: Mirer is second among Seahawks rushers with 22 carries for 116 yards and one touchdown. But Pat Swilling will lead the Detroit defense to a better effort and keep the Lions atop the AFC Central. Lions by 5.

CHIEFS (4-1) at CHARGERS (2-3): KEY STAT: Chiefs have won six straight regular-season games in their division, the AFC West; Chargers quarterbacks are completing 49 percent of their passes but opponents are making 63.7 percent. COMMENTS: John Friesz starts again for San Diego and he's struggled and suffered a concussion in the Chargers' loss at Pittsburgh. Friesz can expect more hard knocks from the Chiefs' defense.



FALCONS END SKID — Los Angeles' Cleveland Gary hurdled Deion Sanders en route to a touchdown in a National Football League game in Atlanta. But Billy Joe Tulliver threw three scoring passes as the Falcons ended a seven-game losing streak with a 30-24 victory.

Joe Mootana should return from his hamstring injury and Montana vs. Friesz is too sound a coach and the Redskins have too much pride and talent left to not excel after that 41-7 thrashing by the Giants. Pick 'em. RAIDERS (3-2) at BRONCOS (3-2): Raiders have five receivers who average 11.3 yards or more per catch; Broncos have scored on all 17 trips inside the 20-yard line and lead in third-quarter points by 41-17. COMMENTS: John Elway threw a club-record 59 passes in Denver's loss at Green Bay. Sure, the Broncos wanted to turn Elway loose this season but that's too much. More of backs Rod Bernstine and Glyn Milburn will make a difference in an offense that has thus far featured 198 passes and 124 runs. The Raiders pass rush has been special and defensive end Anthony Smith has paved the way with eight sacks. Broncos by 6 1/2.

These matchups were prepared by Thomas George of The New York Times. Odds were provided by Harrah's.

Packers Lose Dickerson, After He Fails Physical

GREEN BAY, Wisconsin — The good luck of acquiring Eric Dickerson turned doubly sour for the Green Bay Packers.

The Packers would not have to assume Dickerson's \$1.3 million salary if he didn't pass the physical. Holmgren said his conversation with Dickerson on Thursday morning made him feel Dickerson was likely to retire from football.

In his 11 seasons, Dickerson gained 13,260 yards in 2,996 carries for an average of 4.4 yards per carry. The total yardage is second only to Walter Payton, the former Chicago Bear.

But the Packers' general manager, Ron Wolf, said Friday that the deal was being amended so that Green Bay would get cornerback Bruce Pickens for Stephens. The Packers had said when the Dickerson deal was announced Tuesday that a separate deal involved Pickens being acquired by Green Bay for an undisclosed future draft choice.

'Mjordan' Bug Is NBA Star's Latest Honor

CHICAGO — Just when it seemed Michael Jordan had won it all — three National Basketball Association championship rings, two Olympic gold medals and countless awards, there is a new honor: a strain of salmonella. Dr. Stanford Shulman, chief of infectious diseases at Children's Memorial Hospital, discovered the strain last winter and decided to name it "Salmonella mjordan."

DENNIS THE MENACE

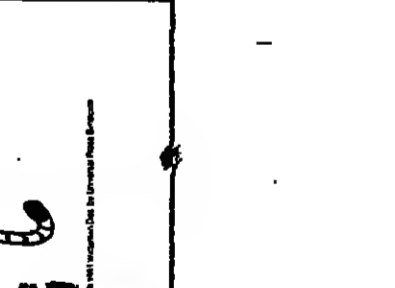
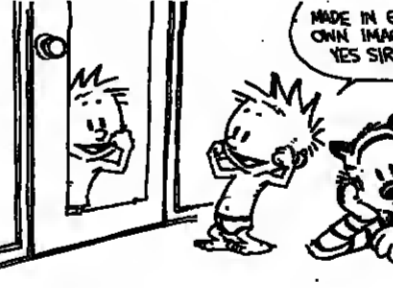


HE MADE SOME JELLY BEANS, HE PUT SOME BEANS IN THE JELLY.

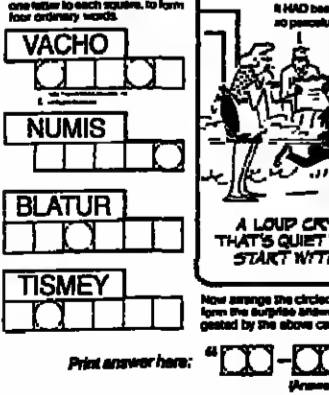
PEANUTS



CALVIN AND HOBBES



JUMBLE



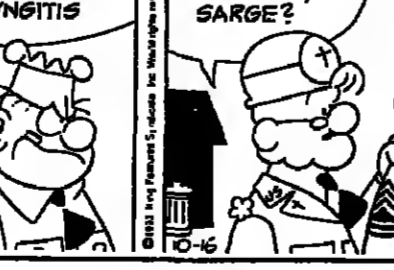
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سكزا من الأصيل

SPORTS

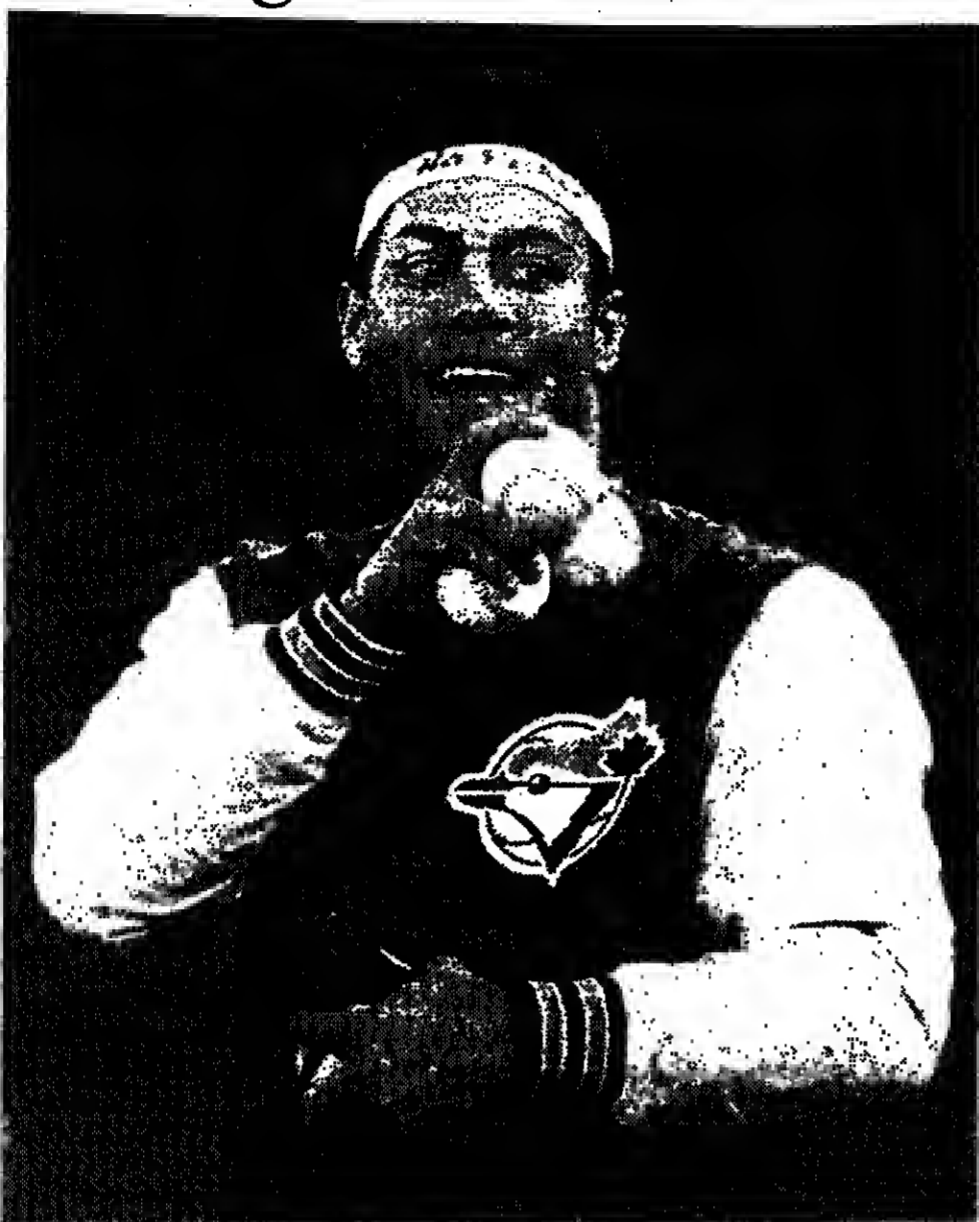
Getting Down to Series Business: Sliders vs. Fastballs

WORLD SERIES SCHEDULE
All times are EDT
Saturday, Oct. 16
Philadelphia at Toronto, 8:29 P.M.

EUROPE
The Armed Forces Network, based in Frankfurt, will be broadcasting all games live.

ASIA
In Japan, NHK will televise all games live. In South Korea, the Armed Forces Network will carry all games live on radio and television.

ELSEWHERE
ESPN International, the satellite sports network, will carry all games live and can be received in Asia, the Pacific, the Middle East and South America.



Toronto's Roberto Alomar had his hands full, but his head hand showed a lack of fear before Game 1.

TORONTO — Juan Guzman throws a sharp slider and Curt Schilling throws a live fastball. They are tough pitches to hit, even for batters who have seen them before.

For a hitter facing either Guzman or Schilling for the first time, it is even tougher. Which is why out of a lot of scoring was expected in Game 1 of the World Series on Saturday night at the SkyDome.

Toronto manager Cito Gaston said Dave Stewart would follow Guzman, but did not say who would pitch after that.

Both teams have shaky middle relief, so the team that gets the better starting pitching figures to win.

A position-by-position look at the teams: First Base
John Kruk, Phillies: Ripped uniform pants and all, Kruk is always fun to watch.

Mariano Duncan and Mickey Morandini, Phillies: Both came through with some key hits in the playoffs. Duncan is clearly the better hitter, though, and Morandini the superior fielder.

Roberto Alomar, Blue Jays: After a slow start in the playoffs, Alomar came on in the last two games. One of the best all-around players in majors.

Kevin Stocker, Phillies: The rookie came up big after being called up from the minors. Shortstop was a problem spot early in the season.

Tony Fernandez, Blue Jays: Fernandez returned to the Jays after a leaving with the Mets and helped them finish first. Was batting .225 at time of trade, hit .306 for Toronto.

Third Base
Dave Hollins, Phillies: Hollins didn't get a lot of hits in the playoffs, but he did hit two two-run homers against Greg Maddux.

Ed Sprague, Blue Jays: Sprague drove in 73 runs and third in the league in fielding in first full season since replacing Kelly Gruber.

Center Field
Lenny Dykstra, Phillies: Dykstra is the Phillies' MVP, and arguably that of the NL.

Deron White, Blue Jays: White, replaced by Henderson as the leadoff batter, had 12 hits in the playoffs, including home runs, 6 to tie Tim Lincecum's AL record.

Right Field
Jim Eisenreich, Wes Chamberlain, Phillies: Eisenreich and Chamberlain weren't really a

factor offensively in the playoffs. But they made for a productive platoon in right field during the season.

Joe Carter, Blue Jays: Carter slumped at end of the season, but he's the Jays' big RBI bat.

Pete Incaviglia, Phillies: This is the perfect spot for Incaviglia. He might do some damage at the SkyDome.

Paul Molitor, Blue Jays: Molitor, who can play third base, had six straight hits at one point in playoffs.

Starting Pitching
Phillies: The Phillies got off to a big lead in the East because of the rotation of Terry Mulholland, Curt Schilling, Tommy Greene, Danny Jackson, and Ben Rivera.

Blue Jays: The Toronto starters struggled much of the season but Stewart and Guzman are now a combined 13-0 in the postseason.

Relievers
Phillies: Mitch Williams saved 43 games, but he's always an adventure.

Blue Jays: Duane Ward led league in saves with 45 (tied with Jeff Montgomery).

SOCCER: In Qatar, Keeping Politics Off the Field

Continued from Page 1
ing body, is taking any chances. In an exceptional gesture, representatives of all six confederations were invited to FIFA headquarters in Zurich in July to headquarter the air and discuss potential problems.

U.S. Survives Scare by Paraguay in Dunhill Cup

ST. ANDREWS, Scotland — The United States survived a scare from Dunhill Cup giant-killer Paraguay on Friday before winning 2-1 to set up a three-way battle for a place in the semifinals.

SCOREBOARD

Table with columns for GOLF, FOOTBALL, TENNIS, and BASEBALL. Includes Dunhill Cup Results, NFL Standings, and Japanese Leagues.

SIDELINES

Endeavour Maintains Solid Lead

SOUTHAMPTON, England (Reuters) — New Zealand Endeavour held a solid 56-mile lead in the Whitbread Round the World yacht race on Friday as strong winds pushed the boats down the coast of South America.

Maradona Back as Argentine Chief

BUENOS AIRES (Reuters) — Diego Maradona will return as Argentina's captain for the two-leg World Cup playoff against Australia, the national soccer team's coach, Alfio Basile, said on Friday.

Graf Wins Damages Over Rock Song

MANNHEIM, Germany (Reuters) — A German rock band was ordered to pay Steffi Graf 60,000 Deutsche marks (\$37,735) in damages on Friday after it recorded a song suggesting that she had had an incestuous relationship with her father.

McDonald's to Sponsor '96 Games

ATLANTA (AP) — McDonald's has paid \$40 million to become the seventh major corporate sponsor for the 1996 Atlanta Olympics.

Atlanta Mascot Gets a New Name

ATLANTA (AP) — Whatzit, the much-maligned mascot of the Atlanta Olympics, has a new name: Izzy.

Quotable

David Letterman, the television host-comedian: "It's fall in New York, which means the air is filled with the smell of burning Mets season tickets."

GOLF

Dunhill Cup Results
Group 2
Mexico del. Sergio Alvarez 5-1; Rafael Alcaron, Mexico, 7-2; def. Emilio Ely, 7-3; Carlos Espinoza, Mexico, 7-2; def. Fulton Allen, 7-2.

FOOTBALL

NFL Standings
AMERICAN CONFERENCE
Buffalo 4 1 0 300 116 67
Miami 4 1 0 300 116 67

TENNIS

SEIKO SUPER TOURNAMENT
Tokyo
Grupe Rusudaki, Canada, def. Michael Chang, U.S., 7-5, 6-4, 6-0; Taid Morin, U.S., def. Stefan Edberg, Sweden, 6-4, 6-4; Paul Hanuza, Netherlands, def. Andrei Medvedev, Ukraine, 7-6 (5), 7-6 (3); Boris Becker, Germany, 6-3, 7-6 (7), 7-6 (7).

BASEBALL

PHILADELPHIA — They will renew the contracts of Bob Clark, Remy Zambrano, Ed Ott, Tom Seaver and Matt Gamble, coaches. Gamble will be retained for consultations in other positions.

BASEBALL

ATLANTA — Claimed L.H. McClendon, coach of the Atlanta Braves, will be retained for consultations in other positions.

BASEBALL

PHILADELPHIA — Claimed Brian Holman, pitcher, will be retained for consultations in other positions.

HOCKEY

NHL Standings
EASTERN CONFERENCE
New Jersey 4 0 0 0 12 13
Philadelphia 3 1 0 0 6 10

Herald Tribune advertisement for 'Living in the U.S.' featuring a 'Now Printed in New York' offer and subscription information.

INTERNATIONAL CLASSIFIED advertisement listing various services such as BELGRAVIA ORCHIDS, KINGS, ARISTOCATS, and MERCEDES.

DAVE BARRY

In the Changing Booth

Miami — You men will be relieved to learn that fashion designer Donna Karan has come out with a list of menswear items that you must have. This is a big load of my mind. I HATE making my own menswear decisions. I hate everything about buying menswear. Especially pants. I can never find pants in my size, which is 33-31 (these numbers refer to what are technically known as the "waist" and the "inseam"). I would call this an average size, but for some reason, the pants industry makes only about two pairs of 33-31 pants per year, and they're always gone by the time I get to the department store, leaving me to paw through the Mutt and Jeff Designer Clothing Collection. To an effort to find something at least close to my size, I end up trying on a lot of pants in those changing booths with the postcard-sized swinging doors that offer you the same level of privacy as you'd get if you tried on pants while standing on a counter in Ladies Cosmetics. (Actually, you'd get MORE privacy in Ladies Cosmetics, because the customers have been temporarily blinded by complimentary fragrance samples.) Privacy is a problem, because there are always women lurking around the changing area, making sure their husbands buy pants that fit. They know that their husbands HATE trying on pants and will, if left alone, purchase the first pair they put on, even if it does not have the correct number of legs. So the women stand just outside the changing area, peering in, trying to get Pant News Updates: WOMAN: Michael? How do they fit? MAN: They fit fine. WOMAN: Michael, I want to see them. MAN: I said they fit FINE. WOMAN (barging into the changing area): LET ME SEE THEM. I personally consider this kind of behavior to be degrading to the husband. I never shop for pants with my wife. This is why I personally own several dozen pairs of pants that don't fit. I'd like to buy just one set of clothes, the RIGHT clothes, and never have to buy again. That's why I'm so pleased about the new

Donna Karan Fashion Essentials catalogue of "must-have menswear items." This catalogue, according to an accompanying press release, is being distributed "to select consumers." You will be pleased to learn that the Fashion Essentials catalogue does NOT include a skirt. This is good news, because Donna Karan does sometimes have her male models appear in fashion shows wearing skirts. But for now, at least, you will not be required to purchase one, although this could change; the release states that "Karan will re-evaluate each Essential item to make sure that the product mix remains current." I was surprised to note that the Essentials catalogue also does not include underwear, which most guys I know view as an essential clothing item, both for formal occasions and for mopping up beer spills. What the catalogue DOES include is a 100 percent Scottish cashmere jogging suit ensemble, consisting of a "hooded zip-front jogger" for \$1,960 and a "draw-string sweat pant" for \$1,465. I know what some of you men are thinking. You're thinking that you're not going to spend \$3,425 on a jogging suit unless it also comes with a car. I'm sorry, men, but that is exactly the kind of bad attitude that keeps you off the list of select consumers. Altogether, the catalogue features 25 essential garments, requiring a basic fashion investment of \$18,452.50. I am certain that all the essential garments in the catalogue are very attractive. Unfortunately, it can't really see them. Most of them are, of course, black, and they have been photographed under dim light against a black background. The catalogue is a festival of gloom. In most of the photographs, the only thing you can see clearly is the ghostly, floating face of the model. Your concern is bringing your wardrobe up to minimum acceptable fashion standards. So I want you to sell that extra kidney, go to a store that carries the Donna Karan Menswear line, and start purchasing your Fashion Essentials. While you're there, pick me up a size 33-31 balmacan. Knight-Ridder Newspapers

Good Musical News In Middle America

By Mike Zwerin International Herald Tribune PARIS — Take a look at John Hiatt and the first adjective that comes to mind is "American." Listen to him speak and sing the songs he writes and you'd probably come up with "middle-American." Considering the songs themselves, you might think something about the best and the brightest. The first stanza from his "(The) Most Unoriginal Sin" gives you an idea of the talent of one of the finest songwriters around. What there was left of us Was all covered in dust and thick skin A halfhearted apple Or the whole, Sistine Chapel Painted on the head of a pin A life long love's worth Gone up in a smirch And you didn't even see her waltz in... Too bad there's not more room for the rest ("the whole naked truth was wearing an infidel's grin" while the devil played wild violin..."). It would be nice to be able to just quote it all and throw it in with a B-side on a bonus CD single and leave it at that. That way you wouldn't need me to tell you the melodies are haunting with an enhanced hubba edge and interpreted on a musical level rock rarely reaches. On the other hand, there's something to learn about America through somebody who was born in Indianapolis and lives on a farm 30 miles from Nashville who can write songs like this. This is good news. America can still turn out sophisticated popular music that sells, written by sensitive people who care about something other than sales. And it's nice to be able to stop bemoaning Cole Porter. Forty years old now, he looks younger than the last time we met, six years ago, when his face was cracked and fractured. You could see something was broken inside. He had still not recovered from years of drinking after the suicides of his brother and his estranged wife. He told me then that he "operated totally out of fear for years. I was so screwed up I invented another personage I thought might survive better in the world. I knew exactly where 'I' ended and 'he' began. I was misbehaving in some very peculiar ways." A working marriage and two daughters and an adopted son helps. Like you could see the burr before, you can see the heal now when he talks about his family and farm and the life he leads. Acceptance by his peers has been a bonus. His songs have been covered by Bonnie Raitt, Bob Dylan,

Emmylou Harris, Aaron Neville, Joan Baez, David Crosby, Willie Nelson, Iggy Pop, Paula Abdul and Mitch Ryder among many others. The peak of his career, the time he spent recently with a band called Little Village, was, however, a mixed blessing. Composed of Hiatt and Ry Cooder (vocals and guitars), Nick Lowe, bass, and Jim Keltner, drums, Little Village was touted as a sort of no-star-trip, all-star band. Just four renowned, cultivated, seasoned individual musicians who liked to play together. But Hiatt says: "We got sidetracked about halfway through. Maybe it was the pressure of living up to something. We got into what I call 'overdub hell,' where you try combining little bits of this and that and pretty soon you got a cow with ebien legs on it. It's like... 'Wait a minute! That's not like any creature I've ever seen.' It was a real interesting experience, and playing with those guys is like playing with nobody else, but after awhile I really wanted to make very simple loud bonehead clatter. After that experience, I absolutely had to play with younger musicians." His son Roh kept bringing him grunge records. Sonic Youth, Nirvana, Pearl Jam and the rest. Hiatt liked the way they sang, and he started to try to wrestle with some kind of honest feeling, not trying to copy any stance. It was accessible, he liked the simplicity of it. It was like... 'Oh! I know this stuff. I know what this is.' He calls it a "knucklehead approach to music, kind of Midwest Meathed, just three chords and a pretty good intention." He thought, "This is O. K. This is my musical heritage." Hiatt thinks of "bonehead" as a sort of dedication. You do what works for you, straight-ahead. When Elvis Presley wanted his acoustic guitar to be louder he simply held it closer to the microphone. Hiatt was hearing grunge while playing with Little Village and it influenced him to write the songs for his new album "Perfectly Good Guitar" (A&M). The title song is about a rock star who keeps smashing his guitars onstage "until trying to break his mamma's back." Off in the dark you can hear someone saying: "I don't know who they think they are, smashing a perfectly good guitar." And at the end the rock star finds himself Late at night, at the end of the road, wishing he still had that old guitar to hold. He'd rock it like a baby in his arms. Never let it come to any harm. Representing the best and the brightest



Songwriter Hiatt: "Why can't we all live together?"

involves being aware of the worst and the best. Hiatt doesn't like what's going on in America: "Why can't we all live together? Never have the various ethnic groups that comprise America been more alienated. I'd like to see that change but I'm not a political writer. I cover what I know best, the politics of men and women. But it does bum me out. When I was coming up, black and white musicians were making sounds together. There's not a lot of that going on right now. "There seems to be this attitude, like, 'We are this way and you are not and we do not want to include you in the way that we are.' I hear this in country music and on rap records as well. 'We don't want to be like you and we don't even want you to know what this is about.'" He never studied music, just learned three chords so he could start writing songs: "I didn't want to know about dotted eighths." But if he had to do again he'd educate himself musically. "To gain the spiritual knowledge that way rather than the other way around." He considers himself "like a primitive artist, art brut rather than Monet." He likes being 40, sensing "some grace and pieces falling off, the hair falling out and the sagging here and there." He looks forward to growing old together with his wife, and perhaps writing short stories rather than just songs. "Just songs?" "Yeah, I feel hemmed in sometimes. I'd like to stretch out and write fiction but I'm scared to death of it. I'm familiar with the song form: three verses, a couple of choruses and you're out of there. Like a good surgeon. What I'm hoping for when I put these little tunes down is to be able to communicate with somebody and have them let me know through some kind of feedback that they've felt that way too. And so then it's O. K. There's somebody else out there. That's the way I felt when I first heard Dylan. That's the payoff." John Hiatt, currently touring Europe, will play La Cigale in Paris on Oct. 21.

PEOPLE

All About Bob Hope: Truly Unauthorized

Bob Hope traded girlfriends with Bing Crosby and kept beautiful women in apartments near his home so he could visit them on midnight strolls, a biographer says. Arthur Marx, the son of Groucho Marx, says in "The Secret Life of Bob Hope," to be published next month, that Hope, now 90, had an active extramarital sex life. Stories of Hope's sexual activities have circulated in Hollywood for decades, some privately told by the comedian himself, but Hope always brushed aside the reports publicly. Ward Grant, Hope's publicist, sniped: "I hope Marx makes a lot of money off the book so he can buy his own damned life." Valentino and the actress Sharon Stone have denied that Stone was paid to walk a Paris runway in one of the designer's outfits. Stone appeared in a white bridal minidress at the end of Valentino's show, getting huge attention from photographers but indifferent reviews as a model. It took a long court fight, but Axl Rose of Guns n' Roses now has a namesake in Sweden: the 19-month-old son of Camilla Olsson of Helsingborg, Otson, a fan of the group, named her son Axl, varying from the accepted Axl. But in Sweden, newborns cannot be registered unless their names are on an approved list. She finally prevailed when she found that someone had won approval for Erik, instead of Erik. Hillary Clinton has opened up a whole can of ah, peas. Clinton was taping some health advice for "Sesame Street" and got the script — "Eat your broccoli, string beans and green peas" — changed to substitute the word "apples" because "hardly anyone likes peas." There seems to be a difference of opinion. "The pea is one of the most popular vegetables we've got," said Stephen Anderson, president of the American Frozen Food Institute, "especially with children. I know people who give 'em to their kids as snacks." The White House is bracing for an onslaught of outraged friends of peas. INTERNATIONAL CLASSIFIED Appears on Pages 4, 8 & 9

WEATHER

Weather forecast section including maps and tables for Europe, Asia, Africa, North America, Middle East, Latin America, and Oceania. Includes a map of the United States and a forecast for Sunday through Tuesday.

POSTCARD

French Declines in Indochina, as English Booms

By Michael Richardson International Herald Tribune VIENTIANE, Laos — As the fight for control of Indochina between Communist and anti-Communist forces reached a peak of intensity in 1969, the supposedly pro-American government of Laos paid a backhanded compliment to France. It used a large cache of cement provided by the United States for airfield construction to build a monumental arch near the center of Vientiane that was distinctly reminiscent of the Arc de Triomphe in Paris. More than a gesture of defiance, the arch also seemed to represent a bond of sentimental attachment to French culture. It remains a focal point in Vientiane, but that other bond, the language, is on the defensive. Like Vietnam and Cambodia, Laos was part of French Indochina until the mid-1950s. Yet the failure of France in recent years to keep up with other foreign aid donors, investors and traders eager to secure access to the resources of Indochina and its market of some 80 million consumers, has helped to catapult English to prominence. For many of the companies that have moved into Indochina, whether from the West or Asia, the language of communication between foreign managers and their local staff is predominantly English. "We still belong to the French-speaking group of countries," said Phongsavath Bouphai, the Laotian vice minister for foreign affairs. "But the young generation is not speaking French so much. English has become the most popular language here. It is the international and commercial language." Laos is represented by its president and foreign minister at an annual meeting of French-speaking nations sponsored by France that began in Mauritius on Wednesday and will end Sunday. Vietnam and Cambodia also sent high-level delegations to the talks, intended to promote closer ties between the participating countries based on their French connections. Aware that it has slipped badly in Indochina, the French government is seeking to increase the economic and cultural presence of France in the region. However, at least one recent attempt by France to make up lost ground has caused resentment. Earlier this month in Phnom Penh, about 1,000 Cambodian students staged a peaceful protest against mandatory French language classes at their technical institute. Asserting that English would help the country to develop faster, the students called for it to be made Cambodia's official second language in place of French. In both Cambodia and Laos, French remains the official second language of government. But English is the boom language in Indochina. Scores of backyard English schools teach capacity crowds nightly in Phnom Penh. Government schools in Laos cannot meet the demand for English, and two private language schools in Vientiane run by Australian teachers have to turn people away. Nguyen Khan Oanh, a business consultant in Saigon and government economic adviser, estimated that Saigon now had three times as many students learning English as French. "English has become the language of business in Vietnam," he said. "It's a must for anyone who wants a job with a foreign company or even with a Vietnamese firm that has significant contacts with foreigners."

Large advertisement for AT&T with the headline "I wonder if the little guy had fun today?" and a photo of a child. The text promotes AT&T's international calling services.

Table of AT&T Access Numbers for various countries, including Andorra, Armenia, Austria, Bahrain, Bangladesh, Barbados, Cape Verde Islands, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Ethiopia, Finland, France, Gabon, Gambia, Germany, Ghana, Gibraltar, Greece, Hungary, Iceland, Ireland, Israel, Italy, Ivory Coast, Kenya, Kuwait, Lebanon, Liberia, Liechtenstein, Lithuania, Luxembourg, Malawi, Malta, Monaco, Netherlands, Nigeria, Norway, Poland, Portugal, Romania, Russia, Saudi Arabia, Sierra Leone, Slovakia, Spain, Sweden, Switzerland, Turkey, Uganda, United Arab Emirates, UK, Yemen, Zambia, and Zimbabwe.

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